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Japan

Envoy Views U.S. Trade Bill Passage

OW010437 Tokyo KYODO in English 0428 GMT
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — Japanese ambassador to Washington Nobuo Matsunaga told business leaders here Tuesday that it would take a considerable time for a joint committee of both houses of the U.S. Congress to complete work on combining two separate omnibus trade bills.

Matsunaga gave his view at a breakfast meeting with Foreign Minister Tadashi Kuranari and top leaders of the Federation of Economic Organizations (Keidanren).

Matsunaga said lengthy negotiations would be needed to produce a final single bill from those passed by the House and the Senate, though he expected it to be completed by Christmas.

The envoy said some congressmen want to include tougher provisions than those already contained in the bills, despite the possibility that President Ronald Reagan might use his veto.

He said although Japan-U.S. economic friction has stemmed mainly from Japan's huge surplus in bilateral trade, Americans' emotional response to such issues and the worsening image they have of Japan have fueled the trade problems.

Business leaders at Tuesday's meeting expressed strong concern about further possible trade problems which might arise with the U.S.

They called for early implementation of a Japanese pledge to recycle 20 billion dollars from its trade surplus to developing nations.

Matsunaga stressed the importance of implementing the promised aid, saying the image of Japan overseas might otherwise worsen, the sources said.

Matsunaga returned to Tokyo Monday for consultations with the home government.

Keidanren Meets With U.S. Experts on COCOM

OW311021 Tokyo KYODO in English 1033 GMT
31 Aug 87

[Text] Tokyo, Aug. 31 KYODO — Keidanren, Japan's top business body, hosted a meeting Monday with U.S. experts on COCOM [Coordinating Committee for Multilateral Export Controls] to discuss joint strategies for preventing violations of COCOM rules by Japanese firms.

Eishiro Saito, chairman of the Federation of Economic Organizations (Keidanren), told some 200 executives of Japanese exporting firms that COCOM violations are a very serious problem for the country which is making an effort to correct its trade imbalances with the United States.

Toshiba Machine Co., a subsidiary of electronics giant Toshiba Corp., came under fire for exporting advanced submarine propeller-milling machines to the Soviet Union in violation of rules of COCOM, a Paris-based agency governing exports of defense-related technology to the communist bloc.

Paul Freedenberg, assistant secretary of commerce for trade administration, said in his speech to the meeting that he is opposed to legislation that would penalize Toshiba since it has not violated any U.S. law, according to Keidanren officials.

Freedenberg said he wants the early passage of bills at the Japanese Diet that would upgrade governmental checks to prevent COCOM violations, adding the U.S. Government rejected 500 export applications through COCOM checks last year, resulting in export losses of 900 million dollars in sales to the Soviet Union.

Noboru Hatakeyama, director general of the Ministry of International Trade and Industry's (MITI) International Trade Administration Bureau, told the meeting that Japan is planning to drastically increase its COCOM inspection-related budget.

Semiconductor Tariff Removal Sought

OW311325 Tokyo KYODO in English 1301 GMT
31 Aug 87

[Text] Tokyo, Aug. 31 KYODO — The Ministry of International Trade and Industry is planning another round of trade talks on semiconductors with the United States on Thursday and Friday this week in Washington, ministry officials said Monday.

The officials said that Japan will seek a complete removal of punitive tariffs imposed on Japanese-made color television sets and computers in the United States by presenting data showing the current prices of those products in third world markets and Japan's willingness to allow more foreign competitors here.

The meeting will reopen talks which stalled at the end of July after failing to produce effective solutions to the ongoing trade disputes.

The officials said Sozaburo Okamatsu, deputy director general of the MITI's machinery and information industries bureau, will represent Japan, while Gilbert Kaplan, deputy assistant secretary of commerce, will represent the U.S.

Work Resumes on U.S. Base Amidst Protest

OW010633 Tokyo KYODO in English 0543 GMT
1 Sep 87

[Text] Miyakejima, Tokyo, Sept. 1 KYODO — The Defense Facilities Administration Agency resumed construction of a weather observation installation Tuesday amid protests from residents on the island of Miyakejima, 180 kilometers south of Tokyo.

Some 600 people staged a sit-in around the site and clashed with police to protest a proposed airstrip for night landing practice by U.S. Navy aircraft.

Some 200 workers, including agency officials, resumed construction after riot police forcibly removed the 600 protesters, one at a time.

The agency began erecting three observation towers in the Ako District of Miyakejima on July 15 amid protests from local residents opposed to the airport plan.

The agency postponed construction of the third installation in July after it had completed two facilities to avoid further clashes between construction workers and local residents.

A one-year feasibility study will be conducted to determine whether the proposed airstrip should be built.

The U.S. government asked the Japanese government to provide an alternative landing strip to the Atsugi Naval Air Facility in Kanagawa Prefecture used to conduct nighttime landing and take-off practice by jets from the U.S. aircraft carrier *Midway*. Residents near the Atsugi facility have complained about excessive noise made by the jet fighters.

The Japanese Government chose Miyakejima as an alternative site for an airstrip and has been trying to persuade the islanders to agree to the plan since 1984.

The majority of residents on Miyakejima, which is under the jurisdiction of the Tokyo metropolitan government, are opposed to the plan.

Government To Remain Silent on Kokaryo Case
OW010101 Tokyo KYODO in English 0026 GMT
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — The government said Tuesday it will not intervene in a court case in which China is claiming ownership of a student dormitory in Kyoto unless asked to do so by the judiciary.

The government position, agreed by the cabinet in a regular session Tuesday morning, was disclosed in the form of a written reply to a query from Socialist Diet member Tomio Sakagami.

The statement said it was "not appropriate" for the government to state its view at this stage on whether the Kokaryo litigation affects the public interest, since the supreme court has not asked the government to do so.

China has urged the Japanese Government to bring a "political settlement" to a court decision last February which awarded ownership of the Kokaryo student dormitory in Kyoto to Taiwan. An appeal against the decision by China is now before the supreme court.

Tuesday's statement is in line with the government position that the executive branch will not interfere in the trial under the principle of separation of powers

between the judiciary and the government laid down by the Constitution.

It said a legal provision which empowers the justice minister to state the government position in critical litigation affecting the state or the public interest should only be invoked at the request of the judiciary.

MITI To Push High-Tech Research in FY1988
OW281017 Tokyo KYODO in English 0823 GMT
28 Aug 87

[Text] Tokyo, Aug. 28 KYODO — The Ministry of International Trade and Industry (MITI) said Friday it will submit to the Finance Ministry a 520.7 billion yen budget request for fiscal 1988, which begins in April, giving top priority to basic research and development activities in high technology and the tightening of COCOM [Coordinating Committee for Multilateral Export Controls] export controls.

Officials said MITI will start large-scale national projects on high-energy beams, superconductors and bioelectronics, which it said will lay the foundations of domestic high technology toward the 21st century.

The proposed program will include the construction of large-scale facilities for use by academic institutes and private companies conducting basic research on industrial technology requiring the use of high-energy beams, high temperatures, a state of weightlessness or an ultra-vacuum.

The ministry also plans 2.9 billion yen in expenditures on superconductors and 500 million yen for bioelectronic research and development, dubbed human frontier science program, according to MITI officials.

MITI will submit its new proposals to the finance ministry for the fiscal 1988 budget, they said.

"Construction of large-scale research and testing facilities are of particular urgency, as that is considered beyond the capability of private firms because of the huge capital spending required and the technological risk involved," they said.

High-energy beams, called lasers, are employed in fabricating very large-scale integrated circuits (VLSI), of which the line widths are below one micron (millionth of a meter). a human hair, in comparison, is about 70 microns in diameter.

MITI plans to build facilities in former coal mines in Sunagawa, Hokkaido, northern Japan, where a variety of tests and experiments will be conducted under conditions of weightlessness, high temperatures or an ultra-vacuum.

Of the total 19 billion yen for hi-tech research and development, 9 billion yen will be spent to establish a semi-governmental corporation to operate the program, with the remaining 10 billion yen as loans to the corporation, they said.

"Japan still lags behind western industrialized countries like the United States in basic research and development activities," MITI said. "National funding and close coordination between industry and academia are essential."

The so-called human frontier science program, which has the strong support of Prime Minister Yasuhiro Nakasone, was also endorsed by leaders of the seven major western democracies at the Venice summit held in early June.

Funds will also be used to invite foreign researchers to join work on bioelectronics at Japanese laboratories and private companies. The program also aims at promoting international cooperation in the bioelectronics field.

The program will focus on applying the research toward the development of ultra-high-performance computer chips.

The 2.9 billion yen project on superconductors was proposed as a result of a MITI interim report on the subject released earlier this week and worked out by a study group of 21 academic and industry leaders, the officials said.

The report, which marked the first governmental policy on superconductor research, said national research institutes and laboratories must take the lead in superconductor technology, which is still at a basic level.

Superconductors, which show no resistance to electricity at high temperatures, are expected to have wide applications in electronics, energy-savings and electric power generation.

Bank of Japan To Keep Easy Credit Policy
OW010757 Tokyo KYODO in English 0750 GMT
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — Satoshi Sumita, governor of the Bank of Japan (BOJ), reiterated Tuesday the central bank would maintain its easy money policy but would closely watch adverse effects of the policy to prevent inflation.

Sumita told an annual convention of Japanese life insurance companies that the central bank would continue to pay close attention to money supply movements and respond accordingly.

BOJ's preliminary report said earlier that the money supply in July jumped 10.3 percent over a year ago, exceeding the 10 percent level for the third straight month.

Sumita said it is fortunate that domestic wholesale and consumer prices have been generally stable and it is likely their stability will continue in the immediate future.

Sumita said, however, international commodity prices have been on the rise in recent days while prices of some construction materials and chemical goods in the domestic scene are also increasing.

Sumita also said expansion of Japan's domestic demand is an important policy goal for the country since the continuation of huge trade imbalances could escalate trade protectionism and upset foreign exchange rates.

He said the recent appreciation of the yen against the dollar reflects the anxieties of foreign exchange market participants over Japan's continuing trade surpluses.

A steep fall in the dollar's value would be unfavorable for not only the U.S. economy but also the economies of other advanced and developing nations, Sumita said.

In a separate speech to the convention, Prime Minister Yasuhiro Nakasone said the government would continue to coordinate its economic policies with other advanced nations to help stabilize the yen-dollar rate.

Nakasone also said soaring land prices, especially in the metropolitan Tokyo area, have become a serious question for the country and he called for a more rigid financing attitude to be taken by financial institutions for land purchase-related loans.

North Korea

Olympic Official Explains Position to KCNA
SK311540 Pyongyang KCNA in English 1525 GMT
31 Aug 87

[Text] Pyongyang August 31 (KCNA) — Chin Chung-kuk, vice-chairman of the DPRK Olympic Committee, had a press interview on August 31 with a KCNA reporter in connection with the fact that Kim Yu-sun, chairman of the DPRK Olympic Committee, sent a letter dated August 31 to the IOC [International Olympic Committee] president.

Vice-chairman Chin Chung-kuk said at the press interview that the IOC president on August 24 sent a reply letter to Chairman Kim Yu-sun's August 10 letter containing our new proposal.

Chairman Kim Yu-sun sent a letter dated August 31 to the IOC president and in the letter he expressed regret at the fact that the IOC attached condition that a joint meeting may be held on condition that we fully accepted the July 15 "adjusted proposal" of the IOC at the urgent time with about 20 days left before the sending of the invitation cards.

Recalling that the letter stressed if all parties to the talks meet once again to have an earnest and serious discussion, respecting each other's opinions, it is possible to narrow down the differences even now and reach a final agreement, he noted that the letter demanded the IOC president to take the earliest possible positive step to ensure that our proposal calling for an early convocation of the fifth round of the joint meeting is put into effect.

The letter suggested that if it is difficult to call the fifth joint meeting before September 17 for some unavoidable reasons the date of the issue of invitations to the Olympic games be deferred for the purpose of calling the fifth

round of the tripartite meeting aimed at reaching a final agreement on all the important and principled questions, he pointed out, and stressed:

This is the only realistic way of reaching a final agreement without bringing to naught the untiring efforts bent by us over the last three years at the Lausanne joint meeting arranged with so much efforts. He said the letter expressed the expectation that the IOC president would take this offer into full consideration.

Preliminary Meeting on Disarmament Urged
SK010900 Pyongyang Domestic Service in Korean
2152 GMT 31 Aug 87

[Nodong Sinmun 1 September commentary: "Preliminary Talks for Disarmament Negotiations Should Be Held Without Delay"]

[Text] As already reported in a 28 August statement, a spokesman of the DPRK Foreign Ministry reasserted that vice ministerial preliminary talks be held on talks between the foreign ministers of the North and the South with the participation of the U.S. secretary of state and that they be held without delay to discuss the problem of alleviating tension on the Korean peninsula, including disarmament. He proposed that if the United States and the South Korean authorities consider it inconvenient now, bilateral preliminary talks between at least us and South Korea be held first on 23 September at Panmunjom.

This is not only an expression of our sincere efforts to alleviate tension on the Korean peninsula and to provide a precondition for solid peace in Korea and its peaceful reunification, but is also a reasonable, fair, and above-board proposal which has fully taken into consideration the stand of the South Korean authorities which have been paying only lip service to the need for dialogue.

On the Korean peninsula today, the vast armed forces of the North and the South confront each other across the Military Demarcation Line. This has become the source of distrust and misunderstanding and the cause of aggravating tension on the Korean peninsula.

The tension prevailing on the Korean peninsula cannot be alleviated by an arms buildup. An arms buildup will result in further intensifying confrontation, aggravating tension, and increasing the danger of war. Peace on the Korean peninsula can be achieved only through complete disarmament.

The proposal put forth by the government of the Republic in its 23 July statement for the massive arms reduction between the the North and the South and its consequent proposal for holding talks at an early date between the foreign ministers of the North and the South with the participation of the U.S. secretary of state to discuss various problems related to detente on the Korean peninsula, including disarmament, were intended to eliminate the danger of war prevalent on the Korean peninsula, to create an atmosphere of trust there, and, thus, to open a bright prospect on the path toward peace and peaceful reunification.

Nevertheless, not only have the South Korean authorities opposed holding the North-South foreign ministers' talks with the participation of the United States while talking about national self-determination and raised again their proposal for North-South foreign ministers' talks only in a bid to discuss such issues as simultaneous entry into the United Nations and cross-recognition, but have also given no answer to our proposal for preliminary talks.

This is a very insincere act to cover their unwarranted act of seeking confrontation and division with the veil of so-called national self-determination. Speaking of national self-determination, it is the basic principle under which the government of the Republic has defined the achievement of the peaceful reunification of the country as its supreme task and to which it has consistently adhered in the course of realizing the task.

Needless to say, our proposal for massive arms reduction is intended to create a favorable aspect for national reunification and is, therefore, based on the principle of national self-determination.

Arms reduction is not a mere internal affair of the nation, but is a problem which is directly related to the United States. The United States has deployed more than 1,000 various nuclear weapons and delivery means, together with over 40,000 U.S. troops in South Korea, thus aggravating tension on the Korean peninsula.

It is also the United States that holds the prerogative of supreme command of the military in South Korea. Under such conditions, it is too natural and righteous that talks for discussing disarmament should be attended by not only the foreign ministers of the North and the South, but also the U.S. secretary of state.

Our proposal for a massive arms reduction and the proposal for holding talks between the foreign ministers of the North and the South with the participation of the U.S. secretary of state to realize arms reduction are in accord with the international trend of opposing tension and war, aspiring for detente and disarmament, and desiring peace and, therefore, has aroused enthusiastic support and sympathy among our people as well as the peace-loving people of the world.

Alleviating tension on the Korean peninsula and ensuring peace there are urgent problems that should not be delayed even for a moment. The United States and the South Korean authorities should discreetly respond to our repeated proposals and should accept the proposal for preliminary talks for disarmament negotiations without delay if they truly want peace on the Korean peninsula, its peaceful reunification, and peace in the world.

Polish Military Delegation Arrives
SK311536 Pyongyang KCNA in English 1521 GMT
31 Aug 87

[Text] Pyongyang August 31 (KCNA) — A Polish military delegation led by Colonel General Jozef Uzycki, vice-minister of defence and chief of the general staff of the Polish Army, arrived here today by plane.

The guests were met at the airport by Chief of the General Staff of the Korean People's Army O Kuk-yol, KPA Lieutenant General Chang Pong-chin and other generals and officers.

Also present were Polish Ambassador to Korea Mieczyslaw Dedo, his embassy officials and the Polish member of the Neutral Nations Supervisory Commission.

A welcome function took place at the airport.

U.S. 'Complete War Posture' in Gulf Noted
SK011030 Pyongyang KCNA in English 1021 GMT
1 Sep 87

[Text] Pyongyang September 1 (KCNA) — The U.S. Defense Department approved the "wartime salaries" payments for the soldiers of the U.S. imperialist aggression forces operating in the Gulf region, according to a foreign press report. Now words are abroad that even the question of invoking "War Powers Act" is under discussion among the U.S. brasshats.

This is a dangerous move that can be seen only on the eve of war; it proves that the U.S. imperialists are making haste to light the train of war finally in the Gulf region.

They have already massed scores of warships and a force of more than 25,000 men in the Gulf region since May and, a few days ago, set up a special operation command for a uniform control of these aggression forces.

They have rounded off a complete war posture and deployment of combat forces whereby they could throw massive aggression forces into a war any time and then decided to pay their aggression army soldiers a few more dollars with a view to driving them out in full scale as cannon fodder for their war. They have formally put on the order of the day even the question of invoking "War Powers Act" which may be regarded as the final "process" in igniting the fuse of war.

All facts eloquently prove how reckless the U.S. imperialists have become in their bid to gratify their long-cherished ambition to establish a monopolistic domination over the oil-rich Gulf, a zone of strategic importance and a major resources zone.

ROK River Crossing Exercise Denounced
SK281128 Pyongyang Domestic Service in Korean
2152 GMT 27 Aug 87

[Nodong Sinmun 28 August commentary: "Playing With Fire Will Only Expedite Crisis"]

[Text] More than ever before, the South Korean puppets have been frantically running amok in conducting war exercises. On 25 August, troops of the puppet Navy and Marine Corps staged a large-scale river-crossing exercise in the western front under the signboard of "Ulchi-87" to simulate northward invasion.

That day, the puppets propagandized that the river-crossing exercise was the climax of the "Ulchi-87" war exercise, while running amok with the operation to secure bridgeheads in inland areas of the northern half of the republic, supported by airplanes and tanks.

Meanwhile, the puppets staged another war commotion, described as urban defensive training, in Seoul on the pretext of coping with the Olympics while raving about someone else's aerial infiltration. Thus, the puppets kicked up a row by dragging out government officials of the puppet administrative organizations, the police, and members of the Civil Defense Corps, along with puppet army troops while babbling about bombing, antiaircraft fire, and so forth.

At a time when voices grow at home and abroad with each passing day in support of the new arms reduction proposal of the government of the Republic to ensure durable peace in Korea, the South Korean puppets are running amok with a large-scale war exercise instead of responding to the proposal. Their treacherous maneuvers will never be tolerated.

The puppets kicked up a row as if something will soon happen while raving about a surprise southward invasion and aerial infiltration. However, their remarks that the peace proposal threatens other people are sophisms that cannot convince anyone.

Furthermore, the puppets are frantically running amok with a war exercise commotion on the pretext of the Olympics while desperately opposing our magnanimous proposal to cohost the Olympics. This clearly proves that they are abusing the Olympics as their tool to strengthen war preparations against our republic and as a political toy to perpetuate the division of Korea and to extend their military fascist dictatorship. Currently because of the puppets' criminal act of using the Olympics for their impure political purposes, the situation on the Korean peninsula grows more tense and acute with each passing day. The remarks on crisis and southward invasion loudly made by the South Korean puppets on the pretext of the Olympics are nothing more than another expression of the threat of northward invasion and a bald-faced lie designed to justify their northward aggressive war preparations.

The puppets staged a river-crossing exercise in the Han River on 20 August as part of the "Ulchi" exercise. Following this, they again perpetrated the similar playing with fire. Who on earth would believe the theory on southward invasion being raved about while repeatedly staging such northward offensive operations as the river-crossing operation?

All the facts clearly show how frantically the Chon Tu-hwan-No Tae-u clique is running amok with its aggressive northward war preparations with the U.S. imperialists' support. The frenzied war exercise commotion perpetrated by the Chon Tu-hwan-No Tae-u clique, which even extended the period originally scheduled

from 17 to 22 August, in the "Ulchi" war exercise cannot be thought of separate from the political crisis the rascals are suffering.

Today the struggle of the people from all walks of life in South Korea, including the workers, youths, and students, to crush the signboard of the puppet clique's deceitful measures for democratization and to achieve the right to existence, independence, democracy, and reunification, is amid fierce flames spreading like wildfire. Because of this, the U.S. imperialists and their stooges tremble with fear in uncontrollable anxiety.

The situation has developed to such a stage that Sigur, who was dispatched from the United States to South Korea to extinguish the flames of resistance during the June popular uprising, has been forced to come to South Korea again. The puppets are attempting to settle their crisis by waging a war commotion amid such a situation and diverting the residents' spirit of resistance elsewhere, binding the residents with military fascist law and order.

However, the war commotion cannot serve as a measure to settle the crisis. The puppets' frenzied war commotion will only evoke the greater resistance and indignation of the people and will expedite their own downfall.

Daily Denounces Blockade of Worker's Funeral
SK311136 Pyongyang Domestic Service in Korean
2152 GMT 29 Aug 87

[Nodong Sinmun 30 August commentary: "Cruel Violence by Those Who Have Lost Reason"]

[Text] The South Korean fascist clique blocked and suppressed with violence the funeral of the youth Yi Sok-kyu, which the opposition organization was going to host. As is known, the National Coalition for a Democratic Constitution decided to hold gatherings on 28 August in major cities throughout South Korea to pay tribute to Yi Sok-kyu, a worker of the Daewoo shipyard who was sacrificed when hit by a tear-gas canister fired by the fascist clique as he rose in the just struggle.

The organization planned to hold rallies peacefully. However, even before the meetings started the puppets threatened that they would block the rallies on the preposterous excuse that the meetings were illegal and so forth. They created a bloodthirsty and terrorism-ridden atmosphere by mobilizing the police force in areas where the rallies were expected to be held, thus blocking them.

On the day when the funeral was planned, they bestially oppressed the people who were gathering for the rallies. The puppets even blocked the funeral procession at Kosong, South Kyongsang Province, which was heading for the graveyard in Kwangju with the coffin of Yi Sok-kyu at the fore. Then they took away the body of Yi Sok-kyu and carried it to Namwon, North Cholla Province, thus perpetrating an atrocious act that incurs the indignation of both man and the elements. They also blocked the participation of the figures from democratic opposition organizations and some 1,000 workers in the funeral.

In addition, the puppets arrested 930 people. This clearly shows that the fascist clique is immensely afraid of the increasing social interest in the grievous death of youth Yi Sok-kyu and is running amok to check such interest, even losing its reason. The youth Yi Sok-kyu was cruelly murdered by the fascist clique's barbarous suppression while he rose in the struggle for the right to existence and democratic freedom for himself and the South Korean workers.

How many patriotic youths have shed blood and have fallen in the prisons, on the scaffolds, and in the plazas of the struggle under the bestial fascist and terrorist rule of the Chon Tu-hwan-No Tae-u clique? Students Pak Chong-chol and Yi Han-yol were murdered by torture and tear-gas canister in the past and the youth Yi Sok-kyu was killed recently, hit by a tear-gas canister. No one can predict who will suffer an equally tragic end tomorrow.

The passionate youths are being killed by the cruel violent rule and tear-gas canisters. How can this not be a matter of interest for the entire South Korean society and how can their colleagues remain idle without sharing their sorrow after losing a patriotic youth?

It is quite natural that society has paid attention to the grievous death of the youth Yi Sok-kyu and that the gatherings honoring him have become mass gatherings. The puppets should have safeguarded all rallies paying tribute to him including the funeral, taking all the responsibilities as the ringleaders who caused the current disgraceful commotion. However, they blocked and suppressed the gatherings and the funeral while raving about illegal acts, disorder, and so forth. This is indeed preposterous and a violent act of the military gangsters. This is also an act of trampling underfoot even basic human rights and a reckless act running counter to traditional customs in Korea.

The fascist clique's violent acts against the funeral and the gatherings to pay tribute to the youth Yi Sok-kyu are mean and vicious maneuvers to suppress voices of the popular masses denouncing and cursing the treacherous act and the barbarous dictatorship of the Chon Tu-hwan-No Tae-u clique, which rules through tear-gas and is a human butcher, lest the masses explode in many places throughout South Korea.

The Chon Tu-hwan-No Tae-u clique is loudly raving about democratic development and so forth. However, its remarks are nothing but false advertising which shows that the present cabinet which claims to be neutral is no different from previous cabinets. It is pursuing extension of its dictatorship under the cabinet. The puppets are frantically attempting to block the people's increasing voices of rancor toward the antipopular dictatorship. However, this will only evoke mass resistance. The South Korean workers and people have again realized that as long as the Chon Tu-hwan-No Tae-u clique's military fascist rule continues, they cannot attain their basic demand for freedom and democracy nor can they defend their existence.

The South Korean workers and people from all walks of life will never tolerate the antipopular military dictatorship and its ringleader, the Chon Tu-hwan-No Tae-u clique.

DFRF Condemns ROK 'Fascist Offensive'
*SK010721 Pyongyang KCNA in English 0539 GMT
1 Sep 87*

[Text] Pyongyang September 1 (KCNA) — The Chon Tu-hwan-No Tae-u group's scheme to resort to a wholesale crackdown upon the labour and student movements under the slogan of "Uprooting leftist pro-communist forces" is a renewed fascist offensive to reverse their much advertised "commitments to democratization" and block all the trend of democratization at the point of the bayonet and a prelude to a reactionary move to prolong the military dictatorial system by fascist violence.

The Central Committee of the Democratic Front for the Reunification of the Fatherland says this in its statement on August 31.

The South Korean military dictators have recently held in succession a "summer season news conference" and "cabinet council", at which they cried for "uprooting leftist pro-communist forces" and threatened that they would "mobilize all government powers" to prevent the "leftist impure forces" from "intervening in labour-management disputes" and "infiltrating into campus". The statement denounces this as a fascist outrage to hold in check the righteous advance of workers, students and other strata of people in South Korea.

The statement goes on:

The desire for the establishment of a democratic government and for the right to existence and democratic freedom against the Chon Tu-hwan-No Tae-u group's intrigues to extend the military dictatorship in South Korea is now rapidly growing among the people of all strata — workers, farmers, students and intellectuals. This is a natural outcome brought by the truculent colonial military fascist rule of U.S. imperialism and its stooges, not by someone's "agitation" or under someone's "baton".

The South Korean puppet clique are crying for "uprooting leftist pro-communist forces," describing the labour movement and the student movement as a "minority group's armed violence" aimed at the "overthrow of the system." This is nothing but a last-ditch effort to strangle the democratic forces and extend the dictatorial system.

The Chon Tu-hwan-No Tae-u group should give up their design to remain in power and stop fascist tyranny if they do not want to follow in the footsteps of the former dictators who met their shameful doom while resorting to tyranny under the slogan of anti-communism.

Reporters Urge Joint Struggle in South
*SK010337 Pyongyang in Korean to South Korea
0900 GMT 30 Aug 87*

[Dialogue between reporters Kim Myong-song and Yi Tu-yong from the "Hour for South Korean Youths and Students" program: "By Strengthening the Struggle of Solidarity With Workers"]

[Text] [First speaker] How are you?

[Second speaker] How are you?

[First speaker] As you know, the struggle of workers for democratic freedom and the right to survive has persistently continued in South Korea. During the summer vacation, the South Korean youths and students, who have always bravely fought at the van of the anti-U.S. and antifascist struggle, have powerfully waged the joint solidarity struggle, echoing the struggle of the workers. During this hour, I would like to discuss this topic with you.

[Second speaker] That is good. The great leader Comrade Kim Il-song has taught: Only when the youth movement is closely combined with the struggle of workers and peasants can it develop into a genuine revolutionary movement and display great power in the struggle for liberation.

As you know, patriotic youths and students of South Korea have further enhanced the struggle of solidarity with workers and people from other walks of life, upholding the anti-U.S. and antifascist banner. Through their protracted arduous struggle, the South Korean youths and students have clearly recognized that the main forces of the anti-U.S., antifascist struggle are the broad range of working masses. Recognizing this, youths and students permeate the workers, upholding the slogan, Toward the place down there; have enlightened and awakened them, and have conducted various activities to rally them in organizations and arouse them to struggle. In addition, they have thoroughly armed themselves with advanced ideas.

[First speaker] The South Korean youths and students give top priority to forming independent fighting organizations among workers. The puppets have been quoted as deplorably stating that student activists have permeated workers and have formed fighting worker organizations, organizing labor unions where there were none, and taking the initiative in existing labor unions where those labor unions have been patronized.

Along with forming fighting organizations, youths and students have actively conducted activities to prompt the labor movement. In this connection, foreign news agencies have reported that a characteristic of the recent South Korean workers' struggle is that those who had experience in the student movement have found jobs at work sites, concealing their college diplomas or their career as drop-outs, and have played a core role in the labor movement.

[Second speaker] During their vacations or after classes, South Korean youths and students have run night classes for workers and have vigorously conducted propaganda activities through various programs, such as service work, training for workers, and [word indistinct].

[First speaker] Intimidated by these activities of youths and students, the Chon Tu-hwan-No Tae-u ring is intensifying suppression, screaming that the penetration of work sites by students may drastically shake the so-called system. The fascist clique has banished workers with college diplomas from many South Korean enterprises, saying that those college graduates or drop-outs have camouflaged their careers for employment and have (?illegally) infiltrated labor movement circles. Furthermore, the clique has taken suppressive measures to prevent students from joining in service activities during summer vacation.

[Second speaker] South Korean youths and students have also actively supported and encouraged the [passage indistinct] of workers and people of all walks of life and have widely staged the joint solidarity struggle with them. Youths and students have fought, upholding such slogans for defending the rights and interests of the popular masses and appealing for unity with them as: Let us obtain the three labor rights; Solve the problem of the people's difficult livelihood; Guarantee the livelihood of the workers; and Worker-student solidarity. Noting that a national and democratic government can be established only through the struggle of firm worker-student solidarity, students in Seoul have recently expressed their resolve to actively wage the struggle of solidarity with the popular masses.

In particular, approximately 5,000 university students from 95 colleges and universities held a meeting to launch the National Council of University Representatives at Chungnam University, Taejon, on 19 August; set the anti-U.S. struggle for independence as a fighting goal; and resolved to actively struggle in support of the struggle of workers for their rights to survive.

In addition, Yonsei University students and other university students across South Korea have valiantly waged the struggle of solidarity with the workers.

[First speaker] I believe that it is extremely righteous for South Korean youths and students who are burning with patriotism, to rise in a mass struggle to express solidarity with the struggle of the workers. As everyone knows, the South Korean workers have suffered from harsh exploitation and suppression under the colonial fascist rule of the U.S. imperialists and the Chon Tu-hwan-No Tae-u ring. The puppets have fascisticized the overall South Korean society, have infringed upon and obliterated all democratic freedom and rights, including the three labor rights, and have inflicted the intolerable subjugation of enslavement on workers.

[Second speaker] The suppression of the labor movement and the infringement upon the rights of workers to survive have reached an extreme under the antipopular

dictatorial system of the Chon Tu-hwan-No Tae-u ring. Amid the worst possible antipopular suppressive rule, the South Korean workers suffer from starvation wages less than the minimum cost of living and from inhumane contempt without political freedom and rights. The Chon Tu-hwan-No Tae-u ring has pretended to grant something to the South Korean workers and people, vociferously clamoring about the stability of the people's livelihood and the construction of a welfare democratic society. This is nothing but deceptive talk designed to alleviate the resistance of the workers.

[First speaker] That is right. It is just that the South Korean youths and students, who have bravely fought for truth and justice, wage the joint struggle of solidarity with workers along with the anti-U.S. struggle and anti-fascist struggle. The South Korean youths and students will devote their youth to the sacred struggle for themselves and the workers and people of all walks of life. As they did in the struggle for justice in the past, the youths and students in the South, burning with patriotism, will further strengthen the joint struggle of solidarity with the people of all walks of life, including the workers, and fulfill their lofty missions before the times and the nation along this path.

WPK Greets LSWYK on 60th Anniversary
SK300330 Pyongyang Domestic Service in Korean
0911 GMT 27 Aug 87

["Congratulatory message" from the WPK Central Committee to the LSWYK and all youths on the 60th anniversary of the formation of the Young Communist League of Korea [YCLK] read by Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president, at a central meeting held in Pyongyang on 27 August; live]

[Text] To the LSWYK and all youths: Today, when our revolution, which was pioneered and victoriously developed under the banner of the chuche idea, is vigorously advancing in a new high stage of the chuche-orientation of the entire society, our people and youths greet the 60th anniversary of the formation of the YCLK.

On this significant day, the WPK Central Committee extends warm congratulations to the members of the LSWYK and all youths who tenaciously struggled in the past for the victory of the chuche revolutionary cause under the party's leadership. [applause]

The formation of the YCLK by the great leader Comrade Kim Il-song on 28 August 1927 was a historic event with great significance in the development of our people's revolutionary struggle and of the youth movement. [applause]

With the formation of the YCLK, the great leader Comrade Kim Il-song's leadership in the Korean revolution was more smoothly realized and the young communists of the new generation were fostered on a large scale and firmly organized to be the core members of the revolution. As a result, the revolutionary struggle was expanded and developed at a new stage.

The Young Communists movement of Korea, which began with the pioneering of the chuche revolutionary cause under the leadership of the great leader Comrade Kim Il-song, has traversed along the path of proud victory and honor over the past 60 years. The Korean youth movement vigorously organized and mobilized a broad range of mass youths in the anti-Japanese struggle for national liberation during the period of anti-Japanese revolutionary struggle by raising their consciousness and organizing them. Thus, the movement greatly contributed to achieving the historic cause of national liberation and to building powerful chuche in our revolution. [applause]

The Young Communists of the new generation who were fostered and trained by the great leader Comrade Kim Il-song played the role of the vanguard in organizing, expanding, and developing the anti-Japanese armed ranks and constituted the main force of the anti-Japanese armed ranks. Thus, they always demonstrated peerless courage and the sense of sacrifice during the period of the arduous and bloody struggle and march.

The glorious tradition of the youth movement in Korea was created in the course of the arduous anti-Japanese revolutionary struggle for the liberation and independence of the fatherland. The tradition of the Korean youth movement which was realized during the period of the anti-Japanese revolutionary struggle is a precious asset for the victorious development of our revolution and our country's youth movement. It is endlessly valuable revolutionary property which should be inherited and developed generation after generation. [applause]

Upholding the great leader Comrade Kim Il-song's leadership after national liberation, the youths tenaciously defended and carried out the party's lines and policy at every step and every phase of the revolution's development. They excellently played the role of the vanguard and shock brigade whenever our people faced difficult tasks of struggle.

Our youths, who were firmly united with revolutionary youth organizations, always stood at the head of the difficult and complex struggle to establish the people's government, to formulate the advanced social system, and to achieve the social and political emancipation of the working masses who are worthy of the youth vanguard of the party. Thus, they made great contributions to the revolution's victory.

The youths fully demonstrated the mass heroism and patriotic sense of devotion in the fierce national liberation struggle to decide the destiny of the fatherland and safeguarded the revolutionary gains with blood. Thus, they displayed the honor of the nation and the heroic spirit of the Korean youths to the entire world.

The youths also demonstrated their wisdom and courage in the magnificent construction struggle to restore the destroyed national economy and to build our fatherland to be a powerful and wealthy industrial socialist country.

Thanks to the courageous struggle and creative labor of young builders, great monumental creations glorifying the era of the Worker's Party have been created everywhere and the foundation of the self-reliant socialist national economy has been consolidated.

Hidden in all the victories and successes our people attained in the revolutionary struggle and construction work are the precious blood and sweat that the youths dedicated to the party and the revolution. Indeed, with endless loyalty to the party and the leader and with dedicated service to the fatherland and people, our youths made great achievements that will shine forever in the history of our people's struggle. [applause]

The ideological and spiritual status of our youths is excellent today, and their revolutionary zeal and spirit of struggle are very good. The youths are firmly armed with the chuche idea — our party's monolithic ideology — and firmly united with the party and the leader. They are resolved to struggle for the final victory of the chuche revolutionary cause by dedicating everything.

It is a noble trait of the Korean youths to be willing to struggle; to carry out the revolution worthy of youths for the era of struggle; to sincerely participate in organizational and political life; and to work, learn, and live worthy of communists.

It is our party and people's great joy and boundless pride that they reared the youths to be the party's loyal revolutionary fighters and to be the reliable inheritors of the chuche revolutionary cause.

The WPK Central Committee highly appraises the achievements and exploits registered by the LSWYK and youths in developing the communist youth movement in our country and in carrying out the chuche revolutionary cause by upholding the leadership of the party and the leader. [applause]

The Korean youths movement is a glorious youth movement personally pioneered and led by the great leader Comrade Kim Il-song and is a movement of chuche-oriented youths who struggle to achieve the chuche revolutionary cause under the leadership of the party.

The basic mission of the youth movement in our country at present is to struggle continuously to inherit and accomplish the chuche revolutionary cause, our party's cause which was pioneered by the great leader Comrade Kim Il-song.

The great leader Comrade Kim Il-song has taught: The youths in our era are given the lofty mission of inheriting and accomplishing generation after generation the chuche revolutionary cause which was pioneered by the young Korean Communists and which has been developed through our people's arduous revolutionary struggle.

It is our party's firm will to further strengthen and develop the LSWYK, the reserve unit and supporter of the party, and to rear the youths to be revolutionary

fighters who are boundlessly loyal to the party and who will brilliantly inherit and accomplish the chuche revolutionary cause.

In order to inherit and accomplish the chuche revolutionary cause, the LSWYK and the youths should be, above all, loyal to the leadership of our party. It is the life of the LSWYK and a basic principle in organizing the youths in our country and in their activities to be loyal to the leadership of our party.

Only when the LSWYK is loyal to the leadership of our party can it fulfill its mission and duty as the party's combat unit and as the inheritor of the revolution. The LSWYK should organize and carry out all works thoroughly based on our party's ideology, theory, and method and should establish within the League the revolutionary traits and discipline to breathe and act together with the party and to unconditionally accept and carry out the party's decision and directives to the end. [applause]

The LSWYK is an organization which carries out ideological indoctrination for youths. It is most important for the LSWYK to strengthen ideological indoctrination work among the youths. In view of the Korean youth movement's historic mission to inherit and accomplish the chuche revolutionary cause and in view of the reality in which the generation of revolution is being constantly replaced with youths of the new generation, it is very important to strengthen ideological indoctrination work among the youths. Only then can we rear all youths to be tenacious revolutionaries with a firm chuche-oriented revolutionary outlook on the world and can we vigorously organize and mobilize them in carrying out the party's lines and policy.

The LSWYK should raise all youths to be chuche-oriented communist revolutionaries having a firm revolutionary outlook on the world by strengthening the indoctrination work on the chuche idea — our party's monolithic ideology. Loyalty to the party and the leader is a basic trait of chuche-oriented communist revolutionary and constitutes the kernel of social and political life.

LSWYK organizations should make youths understand deeply the greatness of the party and leader so that they can establish a firm revolutionary outlook on the leader, cherish their loyalty to the party and leader as their revolutionary conviction and sense of obligation, and sacrifice all in the struggle for the party and leader. [applause]

Our youths should emulate the noble examples set by the anti-Japanese revolutionary martyrs who fully entrusted their fate to the great leader Comrade Kim Il-song and who loyally upheld the leader's ideas and leadership. LSWYK organizations should intensify indoctrination of the revolutionary traditions among the youths so as to make them tenaciously keep our revolution alive and remain endlessly loyal to the party and the leader as were the anti-Japanese revolutionary fighters.

Chuche-type communist revolutionaries are true patriots who love the fatherland more ardently than anybody else. It is a great dignity and pride for our people to live and work under the socialist society in the chuche fatherland where the great leader Comrade Kim Il-song is upheld in high esteem and where our party's communistic ideals are being brought to flower.

LSWYK organizations should indoctrinate youths and children so as to make them value and (?take endless pride) in living in our fatherland and socialist system in the spirit of viewing the Korean people as No. 1 and sacrifice their youthfulness and even their lives in the struggle for the socialist fatherland.

The indoctrination of class should be intensified among the youths and children so as to make them take a firm working-class stand, hate endlessly the exploiting class and sweatshop system, and put up a vigorous struggle against them. LSWYK organizations should ensure that all youths and children fully develop traits befitting the communistic man [kongsanjuijok ingan] by so indoctrinating the youths and children to make them love group and labor and embrace noble moral traits.

Youths and children can grow to become chuche-type communist revolutionaries who are endlessly loyal to the party and leader and who make their political life shine only by leading organizational life well. LSWYK organizations should see to that all LSWYK members sincerely participate in the organizational life on their own and with an appropriate notion about the organization.

LSWYK members and members of the Juvenile Corps should value the organizations they belong to, thoroughly rely on their organizations, voluntarily observe the organization's disciplinary rules, and sincerely carry out the organization's decisions and share of assignment commissioned by the organization.

Socialist and communist construction is the sacred project to be carried out for the brilliant future of our fatherland and for the people's happy life. Youths, the protagonists of the future society and courageous and hot-blooded able workers who are to build a new society, should take the lead in the struggle to build socialism and communism.

Youths should play the role of vanguard in carrying out the three revolutions — ideological, technical, and cultural — and actively contribute to imbuing society with the chuche idea by vigorously launching the movement to win the red flag of the three revolutions and by accelerating the remaking of ideology, technology, and culture. [applause]

The difficult and arduous sectors of socialist construction are the rewarding workshops for the youths. Our youths, who are always loyal to the call of the party, should fully display the energy and wisdom that emanate from their youthfulness by actively engaging in difficult and arduous sectors of socialist construction.

Youths should perform feats in the building of major projects and the great nature-remaking projects designed to carry out the Third 7-Year Plan ahead of schedule and to strengthen the national economic might by broadly launching such various forms of renovation movement as the youth shock brigade movement and the youth sub-workteam.

The youths' most honorable and sacred duty is to defend the socialist fatherland. The youths serving in the People's Army should firmly guarantee the military forces' *chuche* revolutionary cause by wonderfully fulfilling the military duty assigned them, and should not forget the honor of the guards defending the defense line [pangson] of the fatherland even for a moment.

All youths of both sexes, including members of the Red Worker-Peasant Militia and Red Youth Guards, should credibly safeguard the security of their own workshops, villages, and the socialist fatherland with hammers and sickle in one hand and guns in the other. [applause]

Reunifying the fatherland is the paramount national task. It is also a sacred duty for the youths. The LSWYK and all youths should struggle vigorously to crush the scheme of the U.S. imperialists and their lackeys to fabricate two Koreas and to achieve the independent and peaceful reunification of the country and should positively support and encourage the South Korean youths, students, and people in their struggle for independence, democracy, and reunification.

The LSWYK is a proud (?unit) of the international youth movement. The LSWYK and the Korean youths should actively struggle in unity with the progressive youths of the world to build a new, independent, and peaceful world that is free from imperialism and war and should support and encourage with all their might the struggle staged by the progressive youths of the world for the peace, democracy, national independence, and the building of a new society. [applause]

In order to fulfill the honorable duty and mission they bear before the party and revolution, it is imperative that the LSWYK and youths enhance the militant functions and role of the LSWYK organizations without interruption. It should organize the LSWYK organization firmly, improve the work methods and style, and enhance the functionaries' political and working quality so as to make all the LSWYK organizations develop their work positively and creatively.

The prospect for the Korean youth movement, which is energetically advancing under the leadership of our party and under the banner of the *chuche* idea, is endless, and a brilliant prospect has unfolded before the LSWYK members and youths.

The WPK Central Committee is firmly convinced that the LSWYK and youths, with their burning loyalty to the party and leaders as well as their seething revolutionary zeal, will wonderfully live up to the party's great trust in

and expectation of them by tirelessly continuing, from generation to generation, the march toward Mt Paektu, which was first opened by the new generation of young communists.

[Signed] The WPK Central Committee

[Dated] 27 August 1987 [applause]

South Korea

DJP, RDP Reach Compromise on Constitution
SK312341 Seoul THE KOREA TIMES in English
1 Sep 87 p 1

[Text] The ruling and major opposition parties have reached a compromise on details of the constitutional amendment, putting an end to the years of controversy on the basic charter of the republic.

Under the bi-partisan accord, the next president to be elected in a direct popular vote will serve for five years without being allowed to seek re-election.

The projected new constitution will not give the president the right to dissolve the National Assembly in order to reduce the presidential powers vis-vis the legislature.

The constitutional talks in an eight-member negotiation panel started on July 31 after the ruling party accepted the opposition demand for the direct presidential election system in No Tae-u's statement on June 29.

The final agreement on the projected new constitution was reached between the four delegates each from the Democratic Justice Party and the Reunification Democratic Party yesterday, three days later than the original deadline for their negotiations.

The unified amendment bill to the Constitution will be drafted by a 10-member subcommittee of the special House panel on constitutional amendment to be submitted to the National Assembly next week.

When approved with two-thirds support by the National Assembly during the regular fall House session to open Sept. 20, it will be referred to a national referendum to be finalized.

Major issues over which the rival parties were split until the last minute of the inter-party negotiation included the probationary supervision, suffrage age and the presidential power to dissolve the National Assembly.

The rival parties agreed that the new constitution will provide that no person will be placed under probationary supervision except as prescribed by laws and under due legal procedures.

The major opposition RDP had insisted that the new constitution should provide that the probationary supervision can be imposed only with a court decision.

The rival parties agreed to revise the laws concerned such as the Social Security Law to strengthen the procedural requirements for the probationary supervision.

Failing to narrow their differences over the lowering of the suffrage age, the rival parties agreed to fix the age in election laws rather than in the basic law.

The major DJP stuck to 20 for voting age while the major opposition RDP insisted on lowering it to 18 and then to 19.

As for the presidential term, the DJP had suggested the single six-year presidential term and the RDP proposed a four-year-tenure with re-election allowed only once. The RDP later made a count proposal for a single five-year term.

The opposition RDP also withdrew its proposition for the installation of a vice-president in the face of strong objections from the ruling party.

Under the new constitution, the National Assembly may "recommend" the President to remove the prime minister and other cabinet members en masse or individually from office but the recommendation will not have binding force.

In the preamble of the new basic law, the legitimacy of the Korean Provisional Government inaugurated in 1919 in Shanghai, China, during the Japanese rule of Korea will be recognized.

The new charter will also include a clause calling for the political neutrality of the military.

The article will read: "The Armed Forces take it as its duty to perform the sacred mission of national security and territorial defense, and its political neutrality shall be observed."

But the opposition demand for the inclusion of civil rights to resist an illegitimate government were not accepted by the ruling party.

The new basic law allows for the revival of the parliamentary rights to audit state organs and investigate specific state affairs.

The rival parties also agreed to revise the National Referendum Law in such a way as to allow citizens to campaign the pros and cons of various issues under debate suggested by the RDP.

The rival parties, however, did not discuss the supplementary provisions of the new constitution which will stipulate the timing for the presidential and parliamentary elections.

The political timetable for the major political events will be decided through the inter-party negotiation between the top leaders of the rival parties.

Following the completion of the negotiation on constitutional amendment yesterday, DJP president No Tae-u and his RDP counterpart Kim Yong-sam will meet tomorrow to negotiate the political timetable and tackle other major political issues such as the release of political detainees.

Special Session Planned

SK010710 Seoul YONHAP in English 0648 GMT
1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — The ruling and opposition parties, in accordance with the final compromise on constitutional amendment reached Monday, plan to convene a 1-2 day, extraordinary session around Sept. 10 to jointly submit a constitutional revision bill.

In addition, the rival parties also plan to revise the National Referendum Law during the special session, political sources said Tuesday.

Originally, the ruling Democratic Justice Party (DJP) and the main opposition Reunification Democratic Party (RDP) had not planned to convene a special session before the regular fall session scheduled for Sept. 20, but they agreed to convene the special session to meet the political timetable, the sources said.

As a result, the national referendum on the constitutional amendment bill is expected to take place in early October at the earliest.

Meanwhile, a 10-member subcommittee of the Assembly's special Constitution Revision Committee held its first meeting Tuesday afternoon, beginning the process of formulating a constitutional revision bill on the basis of the agreements reached Monday on details of the constitutional revision.

DJP Increasingly Favors Joint Elections

SK300045 Seoul THE KOREA TIMES in English
30 Aug 87 p 2

[Text] There has been a mounting call within the ruling DJP for the joint holding of presidential and parliamentary elections, though senior party members showed a negative response.

DJP floor leader Yi Tae-sun told reporters yesterday that "lawmakers elected from the urban areas including Seoul generally favor holding the presidential and general elections at the same time but those elected from rural areas oppose it."

Those who favor the simultaneous holding of the presidential and parliamentary elections claimed that it would be more economical.

If the presidential and parliamentary elections are held separately, inflation may be caused by the excessive spending of electioneering expenditures, they said.

They also argued that it would be improper to hold the general elections after a new government is formed under the new constitution next February, because the

next government will have to devote itself to the preparation for the Olympics.

Secretary General Chong Sok-mo favored separating the two major elections, suggesting that the general election be held before next February.

Floor leader Yi, however, said that the remarks of the secretary general were not to be interpreted as the critical position of the party.

"It is just his personal remarks, though I also agree with the idea of the secretary general," said the DJP whip.

Then Yi said, "Even if our party proposes holding the elections at the same time, the opposition Reunification Democratic Party will not oppose it."

He also admitted that some other DJP lawmakers claim that the incumbent 12th-term National Assembly should remain active until its official term expires on April, 1989.

As to why the DJP has not made an official decision on the timing of the parliamentary elections, the DJP whip said, "It is because our party's revelation of its official position on the matter may give an influence upon the position of the opposition RDP which have shown some differences between Sangdo-dong and Tonggyo-dong factions over the matter."

But political analysts commented that the DJP wants to delay the general elections as it is still uncertain that the DJP will win the presidential election to be held late this year.

No Tae-u, Kim Yong-sam Meeting Postponed
SK312347 Seoul THE KOREA HERALD in English
1 Sep 87 p 1

[Text] The ruling Democratic Justice Party and the opposition Reunification Democratic Party yesterday agreed to postpone talks between their presidents for two or three days.

DJP president No Tae-u and RDP president Kim Yong-sam were scheduled to meet yesterday.

The RDP decided to postpone the No-Kim talks until its demands for human rights improvements are met.

The decision was made when RDP leaders Kim Yong-sam and Kim Tae-chung met to discuss their demands for additional release of political prisoners and the restoration of civil rights.

The two Kims decided to protest against the arrest of dissidents and student activists suspected of having been behind recent labor and campus unrest.

After his talks with Kim Yong-sam, party adviser Kim Tae-chung accused the government of cracking down on moderate forces such as the National Coalition for a Democratic Constitution and a national association of students.

"Instead of promoting democracy, the government is acting against it," Kim Tae-chung said.

"Currently, 330 people are in prison. Hundreds of people do not have their civil rights restored."

The forthcoming Sixth Republic cannot be launched if such people are not permitted to participate in elections," Kim Tae-chung said.

Kim Yong-sam said, "No one will be able to obstruct the desire for democracy. When the National Assembly approves a constitutional amendment bill, it will be impossible to reverse the tide of democracy."

RDP officeholders decided later in the day to send a team of lawmakers to the prime minister and the ministers of home affairs and justice to protest the government action against dissidents.

Rescheduled for 2 September
SK010744 Seoul YONHAP in English 0732 GMT
1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — The ruling Democratic Justice Party (DJP) and the main opposition Reunification Democratic Party (RDP) Tuesday agreed to a meeting between their party presidents Wednesday.

The agreement came in a telephone conversation between DJP Spokesman Yi Min-sop and RDP Spokesman Kim Tae-yong.

DJP President No Tae-u and RDP President Kim Yong-sam are expected to confirm the outlines of the constitutional amendment draft concluded Monday by an eight-member bipartisan committee and to exchange views on such key issues as the timing of elections, labor unrest, law enforcement steps against leftist dissidents and the release of prisoners of conscience.

The meeting was originally scheduled for Monday afternoon but was postponed at the request of the RDP who said that more time was needed to re-examine the nation's human rights situation. The opposition has complained of alleged reluctance on the part of the government and the ruling party to improve the human rights situation.

In Wednesday's meeting to be held at the National Assembly's VIP restaurant, a heated debate between the two party presidents is expected on Kim Yong-sam's demand for the release of political prisoners still under detention and for ending the search for political activists still wanted by the authorities.

However, the two party presidents are expected to reach compromises without much difficulty on matters concerning the political timetable. Political observers point out that No and Kim have harbored almost identical notions about holding the presidential election early in December and holding National Assembly elections in February next year.

Taxi Drivers in Seoul Begin Strike

SK010057 Seoul YONHAP in English 0044 GMT

1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — Nearly half of the taxi drivers in Seoul went on strike Tuesday morning after talks with their employers Monday ended in failure.

Drivers of 7,858 taxis which belong to 126 taxi companies stopped work beginning 5 a.m. Tuesday in accordance with a decision made by union representatives Monday afternoon.

There are a total of 272 taxi companies in Seoul which operate 16,740 taxis.

In a vote, representatives of 203 unions decided to begin a general strike effective Tuesday morning because their demand for a regular monthly payment system was rejected by employers despite 10 rounds of negotiations since Aug. 13.

Of the 203 union representatives who participated in the vote, 140 voted in favor of the strike and 47 voted against it with 11 absentions. Five ballots were counted as invalid.

Meanwhile, the Seoul city government lifted shift restrictions for privately owned taxis, allowing all individually owned taxis to operate for 24 hours during the strike.

The city government also designated 850 privately owned taxis to operate to and from Kimpo International Airport.

The drivers had threatened to begin a general strike Tuesday if their demand for a complete monthly payment system was not met by the end of August.

Cabbies' current monthly wages consist of a basic salary and allowances in accordance with their daily turnover.

Under the present system, drivers are required to turn in 33,150 won (about 41 U.S. dollars; one U.S. dollar is worth about 810 won) a day to their companies while the amount turned over in excess of 33,150 won is divided up — 60 percent for the drivers and 40 percent for the companies.

The drivers have been demanding the introduction of a complete salary system under which they would be given a fixed salary regardless of their daily work performance.

The management insists on maintaining the current system saying that they cannot introduce a complete salary system because of financial difficulties. Instead, the management suggested a small increase in the basic salary.

Sharp Drop in Labor Disputes Reported

SK010600 Seoul YONHAP in English 0529 GMT

1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — The number of labor disputes has fallen sharply since Sunday while disputes in the transportation sector have increased substantially.

The Labor Ministry said Tuesday that only 42 disputes broke out on Sunday while 119 disputes were settled, reducing the number of worksites engulfed by disputes to 649.

On Monday, the total number dropped further to 599 as 94 disputes were settled while only 44 disputes broke out.

Of the 599 disputes, 412 occurred in transportation industries, accounting for 70 percent of the total.

On Tuesday morning nearly half of Seoul's 16,740 company taxis began a strike after their final negotiations with employers ended in failure on Monday.

Drivers of 7,858 taxis belonging to 126 taxi companies halted operations beginning 5 a.m. Tuesday morning with the decision by union leaders to begin a general strike.

Meanwhile, according to the Trade and Industry Ministry, labor disputes broke out in a total of 496 manufacturing companies from July 25 to Aug. 31, of which 385 have been settled.

Nearly 90 percent of the disputes were settled in the shipbuilding industry compared to 83 percent in the textile companies.

The ratio was 82 percent in the electric and electronics industry and 76 percent in the petrochemical industry.

The labor disputes resulted in production losses of 637.8 billion won (about 787 million U.S. dollars; one U.S. dollar is worth about 810 won) and reduced exports amounting to 302.6 million dollars, according to the ministry.

The production losses and reduced exports hit the automobile and parts industries the hardest with production losses of 111.4 billion won and 53.9 million dollars in reduced exports.

Definition of 'Left-Leaning' Elements Sought

SK311337 Seoul CHOSON ILBO in Korean

29 Aug 87 p 2

[Editorial: "Determining Who is Left-Leaning and Who Is Not Should Come First — Revolutionaries and Reformists Should be Viewed in Different Lights"]

[Text] With the government announcing its decision to scrape out left-leaning elements, it has become a pressing necessity to correctly and objectively determine who is left-leaning and who is not. What kind of people will fall into the category of left-leaning elements to be punished within the legal framework of liberal democracy?

First, the revolutionaries: Among those who are vaguely called left-leaning elements are reformists and revolutionaries. The former pursue progressive reform within

the framework of basic democratic order based on lawful procedures and through parliamentary means. Liberal democracies do not punish people who seek reform in this manner, recognizing their activities in legal terms. Meanwhile, the latter seek to establish revolutionary dictatorships encompassing only those who have participated in the revolution after the wholesale removal of the existing state and systems, even if done through all sorts of illegal means, including violence. Those who embrace such a stand are outlaws not condoned by any of the world's advanced democracies.

Second, from time to time acts undertaken by some who are not ideologically ultraleftist can be punished because they are violations of the law. Of course, in such cases the law must be applied justly based on liberal democratic principles. We do think, as a matter of fact, that only these two cases constitute appropriate circumstances for countering left-leaning elements. Political and social activities conducted according to the dictates of a lawful and peaceful reformist stand should not be subjected to punishment even if they appear to be radical. They should be considered targets of ideological struggle instead.

We believe that the authorities should strictly adhere to applying these two standards and the activists opposing those in power, too, should make clear their stand regarding these two standards.

The authorities should take legal actions only against those who have violated the existing liberal democratic laws and should try to avoid the criticism that they indiscriminately suppress even reformists by arbitrarily interpreting the laws and arbitrarily defining left-leaning elements. On the other hand, political and social activists should make clear their stand regarding revolution and reform — whether they are revolutionaries or reformists. We are convinced that the absolute majority of political and social activists are, above all, reformists. A few of them may denounce liberal democracy as a gathering of the bourgeoisie united in search of an illicit purpose. Nonetheless, these are an absolute minority who are isolated from the absolute majority of the population. The problem is that some of them are determined to carry out a mass-oriented revolution.

Admittedly, the authorities must deal with these ultra-left-leaning elements' violations of the existing laws by taking legal action against them. Perhaps more important, these elements should be kept from establishing working ties and strategic cooperation with moderate reformists and liberal democratic forces. What must be done toward this end? Those who are in power should, first of all, reform themselves, show sympathy to the isolated sectors of society, and earnestly and honestly push ahead with democratization. When this happens, the moderate reformist forces and liberal democratic forces will find it easier to hold the extreme radicals in check.

Our people neither want, nor support, extremism. They urgently desire freedom and democracy and smooth

sailing for the political schedule toward this end. They do not want the schedule for elections and democratization to go awry because of the unnecessary call to overthrow the current system through revolution. In addition, we hope that the authorities will not become ultraright-wing in the process.

Daily Interviews DJP President No Tae-u
SK290917 Seoul CHUNGANG ILBO in Korean
26 Aug 87 p 5

[Interview with DJP President No Tae-u by Song Pyong-uk, director of the *Chungang Ilbo* Editorial Department; Chon Yuk, deputy director of the Political Department; Sin Song-sun, deputy director of the Economic Department; Sin Chong-su, deputy director of the Social Department; and Pak Kum-ok, deputy director of the Cultural Department at the DJP president's office in the DJP State Policy Research Institute — date not given]

[Excerpts] [Passage omitted] [*Chungang Ilbo*] There is criticism that those from the military still remain as the main force in the DJP, though your party advocates civil politics. What do you have to say about this?

[No] If one wants to create problems, everything can become a problem. However, realistically, whether former military men, former journalists, or former government employees, we are engaged in politics after being judged by the people in two National Assembly elections — the 11th and 12th — and have become homogeneous in the furnace of politics. Accordingly, I think such criticism is inappropriate. [*Chungang Ilbo*] If someone says you do not seem like a former military man, does it make you feel good?

[No] If someone says that, maybe he wants something from me. [*Chungang Ilbo*] At the time of the Kwangju incident, what did you do, and what do you think must be done to settle questions about the incident?

[No] At that time, I was the commander of the Capital Garrison Command. As the person in charge of defending the capital, I was one of those who, along with other people concerned about the destiny of the country, wished an early settlement of the incident and the least sacrifice. By drawing a lesson from the settlements of the civil wars in the United States and Spain, the question had to be resolved by avoiding trying to determine who was right and who was wrong, by displaying a spirit of seeking national harmony, and by considering it important to display generosity to prevent even greater misfortune. [passage omitted] [*Chungang Ilbo*] There is an opinion that the DJP will have to fight a very difficult battle in the forthcoming presidential elections, depending on the situation. At the same time, we remember that you said the DJP was prepared to become an opposition party. In case the DJP fails to hold power, do you think the DJP has the wherewithal to at least survive as the No. 1 opposition, instead of repeating the past failures of the Liberal Party and the Republican Party?

[No] (No laughs, as if to call it a nonsensical question) You ask such a liberal question, maybe because you are

journalists. However, if you ask our party members the same question, I am sure they would become angry. When the 29 June declaration, which has accommodated all the demands of the people, is smoothly put into practice, the people, I am convinced, will support our party. In this regard, our party members are confident. [passage omitted] *[Chungang Ilbo]* As has been seen in the labor disputes that have followed the 29 June declaration, the demands of the people of all walks of life are seriously erupting at a time of transition. This notwithstanding, the controlling power of the ruling camp and its counteracting capabilities have been drastically reduced. Thus, there is a voice of concern. Don't you think something should be done?

[No] Of course, something should be done. Presently, however, we are at a stage where the government, people, and businessmen are seeking a shift in their thoughts and ideas. Accordingly, I believe that public power must not be used recklessly, as happened before the 29 June declaration, and that the government must restrain itself from using public power so that labor disputes can be settled in a self-governing manner between employees and employers.

Businessmen should seek a drastic shift in their views, which have been focused on economic development, emphasizing growth and stability. As we have achieved such economic growth as seen today, they should exert utmost effort to allow our workers to share commensurate with their sweat. The government, too, is exerting much effort to provide conditions toward that end. Therefore, I believe the labor disputes we suffer today can become an opportunity to develop our economy a step higher. [passage omitted]

[Chungang Ilbo] Today, we cannot deny that the students are a major social force. Following 16 May 1961, Mr Kim Chong-pil visited campuses to hold discussions with the students. Do you have any plans to talk with the students prior to the elections?

[No] It is true that our elder generation has been too busy to talk with the younger generation. As I have witnessed that the students are unaware of what the elder generation has achieved, I am well aware of the lack of dialogue between generations.

Recently, I held a dialogue with approximately 450 students. Over this course, some students asked questions I did not expect, but I felt that the gap between the elder generation and the younger generation had narrowed, whether my answers were satisfactory or not.

[Chungang Ilbo] What do you think about the rumor of a crisis in September?

[No] The rumor of a crisis is something that spreads seasonally, does it not? If labor disputes are not settled smoothly, they will be linked with the student struggle in September. Such are the rumors. I know this. However, I believe the factors for such a crisis will be removed, if

the 29 June declaration, which has received such enthusiastic accolades from the people, is put into practice on schedule. I believe all political schedules will be smoothly implemented through the end of the year. [passage omitted]

Disputes Cause Stock Market 'Nose Dive'
SK300040 Seoul THE KOREA HERALD in English
30 Aug 87 p 6

[Text] During last week, stock prices took a consecutive nose dive across the board, triggered by the worsening situation of labor disputes and the dishonoring of a university foundation.

Seoul stock market was awash with bad news about labor disputes and rumors that dissident groups are attempting to link labor and student forces in order to step up their political offensives against the government after the killing of a shipyard worker.

Other bad news included the dishonoring of a private university foundation, Chungang University Foundation, the chief director of which was involved in financial trouble.

Also a report by the Ministry of Commerce and Industry that the nation's imports exceeded exports during August for the first time this year concerned investors.

The worst losers this week were the financial and construction shares while manufacturing shares showed a modest rally.

During the week that ended Aug. 29, the composite price index lost 40.6 points or 8.1 percent to close at 461.87.

In line with the nose dive in stock prices, the daily average trading volume and turnover contracted to 56.8 million shares and 76.8 billion won, respectively, posting a decrease of 8.7 million shares and 54 billion won each, compared to a week earlier results. [as published]

The Seoul stock market is expected to experience a corrective period during September.

This prognosis is based on the adverse factors, such as investors' wait-and-see attitudes after the stock price nose dive in late August and worries about non-market elements.

But some market watchers contend that if the security authorities deregulate current restrictive measures against institutional investors, the corrective period will end faster than expected and stock prices will rebound again.

Overview of Economic Programs
SK300053 Seoul THE KOREA TIMES in English
30 Aug 87 p 5

[Text] The government is reviewing overall economic programs as labor-management disputes show signs of tapering off.

In particular, the relevant government ministries are thoroughly analyzing the impact of more than two months of labor unrest on businesses and preparing medium-and long-term steps to invigorate them.

Government will attempt to carry out reasonable income distribution, the promotion of welfare of workers and the stabilization of wholesale and consumer prices.

In addition, the government is determined to restudy major economic policies related to interest rates, the total money supply and the parity rate between the won currency and the U.S. dollar.

The government will step up effort to make contacts with businesses in order to reflect its opinions in the review of the nation's economy.

While the government plans to strengthen the fiscal role with regard to social welfare and income distribution in the budget program for the 1987 fiscal year along with the ruling Democratic Justice Party.[sentence as published]

Government sources acknowledged yesterday that the administration is now revising the economic outlook, mainly for economic growth and the balance of international payments, because of the current labor conflicts.

However, they said that the revision of the economic outlook doesn't mean a change in the nature on the operation of the nation's economy.

In particular, they said that the government was not considering the reduction of bank interest rates at present.

Citing that the reduction of bank interest rates is the major factor in the revision of the nation's economic policies, they said that the government is resolved to consider it at a later date.

Meanwhile, the Economic Planning Board, the Finance Ministry and the Trade-Industry Ministry jointly held a meeting yesterday to discuss the present labor unrest.

The three government agencies decided to analyze the impact of labor turmoil on the nation's industries.

They also agreed to set up working-level teams individually to cope with labor conflicts.

A high ranking official who attended the meeting said that the participants shared the view that the impact of the present labor unrest on business investments set for the second half of this year would vividly surface around the second Full Moon Festival (Chusok) which falls on Oct. 7.

Officials at the meeting showed grave concern that a huge demand for money around the festival, one of the nation's biggest holidays, would further aggravate financial burden of business concerns, the official said.

He said that the government would soon prepare a set of measures to improve the difficult financial situation based on its analysis of the impact of wage hike entailed by labor disturbances on wholesale and consumer prices.

Government To Pursue Distribution of Wealth
SK290451 Seoul YONHAP in English 0434 GMT
29 Aug 87

[Text] Seoul, Aug. 29 (YONHAP) — The government has decided to pursue policies for the effective distribution of incomes, along with sustained growth, with a view to introducing harmonized relations between labor and management.

The government has also decided to implement more strongly than before such welfare programs as the minimum wage system, the medical insurance system and the pension system.

These and other decisions were made at the first meeting Friday of a government task force entrusted with overhauling the government's economic operation program for this year.

Revision of the operational program is unavoidable as the nation is faced with protracted labor-management disputes which are expected to cause serious damage to production, investments and employment, a meeting source said Saturday.

Under the revised program, the government will bolster the middle class and exempt enterprises from taxes that invest in welfare facilities for workers in order to eliminate the sense of relative impoverishment on the part of workers.

The revised program, to be carried out with a major emphasis on realigning the nation's entire industrial structure, will also exempt business owners from various quasi-taxes and eliminate unnecessary administrative regulations to boost their investments in production facilities.

At Friday's meeting, members of the task force, led by Chin Nyom, assistant minister at the Economic Planning Board, suggested strong price management measures.

They agreed that workers' increased wages in the wake of the labor disputes would combine with the balance of payments surplus, the price increases of major imported raw materials and possible reductions in production and shipments leading to a flare-up in the inflationary spiral.

Korea's trade surplus with the United States has already surpassed the 5.4 billion-dollar mark in the first seven months of this year.

Meanwhile, the U.S. Administration continues to apply strong pressure on Korea to grant wider market access and accelerate appreciation of the won currency against the U.S. dollar.

Under the circumstances, extending more foreign exchange loans to firms and greater market opening will be among the major features of the revised economic operation program for the rest of this year, the source said.

Minister on Future Industrial Structure

SK010846 Seoul YONHAP in English 0841 GMT

1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — The Korean Government is interpreting the current labor-management disputes as a rare opportunity for the nation to shift its industrial structure from a low-productivity and labor-intensive structure to a high-productivity and high added-value structure.

Trade and Industry Minister Na Ung-pae said in an intra-ministerial conference Tuesday that now is the time for the nation to work out medium- and long-term measures to boost the industrial structure to one oriented toward high-productivity and high added-value from the current low-productivity and labor-intensive structure.

Predicting that the surplus in the nation's external trade would fall to zero in August from July's 700 million-U.S. dollar surplus, Na said that the current labor disturbances might cause serious damage to the national economy by discouraging businessmen from investing.

Na then stressed the need for working out new management strategies in close consultation with business owners to boost investments and promote labor productivity to prepare for the advent of higher wages.

EEC Exports To Be Limited; Buying Increased

SK300018 Seoul THE KOERA HERALD in English

30 Aug 87 p 6

[Text] The government will restrain rapidly growing exports to the European Economic Community (EEC) to avert intensifying protectionist moves by the 12-nation economic bloc.

A powerful buying mission will be also sent to the EEC at least once a year to increase purchases of European-made goods.

The government's moves follow a report that EEC nations are heightening trade barriers against rapidly rising Korean imports.

The Ministry of Trade and Industry said yesterday that the EEC has intensified restrictions against Korean commodities ranging from electronics to textile goods in a bid to prevent big increases in imports.

Given this, trade officials will restrict exports to the EEC.

At the same time, more Korean buying missions will be dispatched to the region to balance trade, they added.

The nation's trade networks will be strengthened substantially in Europe with focus on Brussels, EEC headquarters, the officials said.

The EEC is investigating charges that Korea is dumping microwave ovens, polyester yarn, compact disc players, albums, and bicycle tire innertubes to clamp heavy duties on these products.

It is also threatening to cut back on generalized system to preference favors to Korean exports, and is moving to link the retroactive protection of European intellectual property rights with the easing of protectionism against Korean goods.

The Korean government has already instructed domestic electronics concerns to self-regulate their exports of microwave ovens and VTRS to the EEC.

Analysts here say that Korea's favorable exports to the EEC are largely a result of the strong Japanese yen and the recent appreciation of European currencies, which handicaps Japanese and European products.

The share of Korean exports to Europe is increasing.

During the first half of the year, Korean exports to the EEC were worth \$2.9, 13.8 [figure as published] percent of the nation's total exports.

The figure last year was 12.4 percent.

Further on Protectionism

SK290059 Seoul YONHAP in English 0051 GMT

29 Aug 87

[Text] Seoul, Aug. 29 (YONHAP) — The South Korean Government will work out various measures to cope with the growing import protectionism against Korean-made goods by the European Economic Community, the Trade and Industry Ministry said Saturday.

The Ministry plans to expand the export surveillance of items exported to the EEC countries so that exporters may voluntarily control the volume of their exports to the region.

The ministry will also encourage Korean companies to strengthen cooperative relations with industrial organizations in the EEC to ease the protectionist trend.

In order to cope with the suits filed for alleged dumping of Korean goods, the ministry will provide small and medium-sized industries with legal consultation while keeping tabs on developments in the EEC by utilizing diplomatic missions in the region and legal consultants associated with the Korean traders association and businesses.

The number of anti-dumping suits against Korean goods have increased substantially recently, according to the ministry.

The EEC is investigating dumping charges on five Korean products, including microwave ovens, compact disc players, and tires and tubes for bicycles and is considering an investigation of videotape recorders and polypropylene film.

It is also feared that the European Economic Community would file dumping suits against Korean-made cathode ray tubes for use in color TVs, finished color television sets and albums.

In addition, the government plans to import more items from the EEC previously imported from Japan and the United States and to dispatch buying missions to the area at least once a year.

It has also decided to set up a consultative committee at the Federation of Korean industries to deal with matters involving trade with the EEC.

Soviet, Chinese Volleyball Teams Arrive
SK010037SeoulYONHAPin English0030 GMT1 Sep 87

[Text] Seoul, Sept; 1 (YONHAP) — The world's top class teams in women's volleyball including China, the Soviet Union and Bulgaria will compete in the 4th World Women's Junior Volleyball Championships scheduled here Sept. 2-13.

In the championships hosted by the Federation Internationale de Volleyball (FIVB), thirteen countries including the host Korea will be divided into two groups for league preliminary competition and then the top two teams from each group will vie for the title through a cross tournament system.

Korea is placed in group A, along with Brazil, Canada, France, Kenya, Taiwan and the Soviet Union while group B consists of Argentina, Bulgaria, China, Greece, Japan, Peru and Puerto Rico.

Teams placed in group A will play in Seoul for round robin, while those in group B are scheduled to compete in Pusan, Korea's largest port city some 320 kilometers southeast of Seoul.

The final match will be held at Chamsil gymnasium, which will be the site for the 1988 Seoul Olympic basketball competition.

Korea won the first championships held in Brazil in 1977 and the second championships in Mexico in 1981. In the third championships held in Italy two years ago, Korea dropped to fifth place. For the fourth championships, Korea hopes to be one of the top four teams.

The defending champion, Cuba, and teams from Algeria and Egypt have withdrawn from the Seoul championships despite efforts by the Seoul organizers to give them a warm welcome.

Correction to Model for Saving Unrest

The following correction pertains to the item headlined "Model for Saving Unrest," published in the 28 August Eastern Asia Daily Report, page 11. First paragraph reads:

Many dissident group members scurried to visit the shipyard shortly after a 21-year-old shipyard worker died last Saturday from injuries he received during a violent clash between protesting workers and riot police. (supplying dropped passage)

Brunei, Malaysia & Singapore

Malaysia

Text of Mahathir's National Day Speech

*BK310846 Kuala Lumpur RTM Television Network 1
in Malay 1235 GMT 30 Aug 87*

[Speech by Prime Minister Mahathir Mohamed at the 30th national day anniversary ceremony in Kuala Lumpur on 30 August; live or recorded]

[Excerpts] Peace be upon you! We thank Almighty God for giving us the opportunity to again welcome our country's 30th national day anniversary together. We are also grateful to Him for freeing the country from the chains of colonialism and because we are able to welcome our national day anniversary in peace.

This year marks the 30th year that we have been free of the chains of colonialism. This is very important to those who truly value freedom — freedom from foreign degradation, freedom to govern our own country, and freedom to determine the direction of our country's progress for the good of our own people.

We have been able to achieve progress over the 30 years of independence. This has occurred in all fields — the economic, educational, health, communications, public facilities, defense, and public security sectors. It is not considered arrogant if we are proud of our achievements. However, let us ensure that pride has not made us complacent and careless. On the other hand, it should further rejuvenate our spirit and desire to achieve more successes in the future. We should be thankful because we have enjoyed continuous prosperity as a result of his blessings. [passage omitted]

Through the years, the number of people in this country who had bad experiences during the period of colonialization has decreased, and because of this, only a few people are able to make comparisons and truly value a life that is totally free of colonization by other races. Problems arise when we do not value the struggle for and achievement of independence; we may not appreciate and defend it. Furthermore, we will definitely not make any effort to fill that independence with meaningful developments. We will only view our independence as a normal state that will be here forever.

It is a pity that independence does not come naturally and that colonialization has not been totally eradicated. A new form of colonialization has been created and this form of colonialization has once again successfully gained hold in independent nations. This new form of colonialization is economic, ideological, and cultural colonialization.

Economic colonization is easily implemented by the world's economic powers through their manipulations; it can result in a sudden drop in prices for our primary commodities, produced through our tireless efforts. At

the same time, these powers fix our production costs through their propaganda and prices remain static, so that our national productivity cannot be increased. As a result of their discreet way of doing this, there is a group of people among us, within the country, who are willing to ask these powers to hamper the country's economic recovery. When the foreigners are given the opportunity to determine our country's economic standing, we are colonized — our country is colonized and we lose our independence.

So it is with culture, our national culture will be manipulated to the point where it cannot avoid being influenced by global culture. There are countries who have easily admitted defeat and have accepted foreign culture. In our country, there are people who have disregarded our values and copied wholesale foreign actions and attitudes. Foreign influence should not pollute the national heritage of rich cultural traditions. If these influences are left unchecked, it is definite that our national identity will be replaced by a colonial identity. Should our values vanish, we will lose control over our own lives and will surely be colonized. We must not imitate aspects of foreign culture that would not benefit us and, while our culture is being polluted by these bad influences, reject good influences so that we are not only easily colonized, but become a weak nation that is unable to defend itself from any form of colonial influence in other fields.

Honorable ladies and gentlemen, one of the values that can defend our freedom and integrity is loyalty; this is why the slogan for this year's national day celebration is: be loyally united, progress through effort. Loyalty means being loyal to the country, even though this is beyond our objective. Loyalty also means loyalty to oneself, our family, our birthplace and the community. When we are loyal we will not only achieve our objective but will make greater positive efforts to defend the objective of our loyalty. For example, to be loyal to oneself means not only achieving our objective of not being influenced by drugs, but also equipping ourselves an education and skills that will benefit us and lead to a more respectable, prosperous, and happy life.

A family, community, and nation that are filled with prosperous and respectable individuals will surely result in a more respectable, prosperous, and happy nation. If we extend our loyalty to our family, community, race, religion and nation, we will surely lead a happier life, which is protected from vicious crime. This could be looked on as only an idealistic hope, and it may be that this cannot be achieved, but as a civilized and knowledgeable people we should make an effort to achieve this success. Even though we know that God alone is perfect, a failure to try to attain this goal simply means we are not fully utilizing all which He has given us. In other words, we are being disloyal and we will surely not be progressive and successful.

Honorable ladies and gentlemen, the main obstacle in a multiracial country like Malaysia is misunderstanding among the races. We can clearly see nations being

besieged by turmoil until not only the political situation becomes unstable, but their economy seriously declines. In noting these possibilities, the government has again stressed national solidarity. We admit national solidarity is hard to come by, but when we focus on loyalty — a very special goal that is impartial — and we direct all of our efforts toward that goal, then misunderstanding will not rise among us. With a constitutional monarchy, this goal can be reached.

We must be alert and make efforts in all fields. There is nothing that can be successfully achieved without effort; the more determined our efforts are, the more progress we will achieve. We are all aware — as is the government — that this year's theme — Be loyally united, progress through effort — will not be realized by itself unless we place importance on it through our own practices. Every slogan has a good objective and will assist us in leading a more prosperous life. Accept this slogan and utilize it fully and by God's grace we will be prosperous. God bless you and peace be upon you!

Editorial on 30th Independence Anniversary
BK311030 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 29 Aug 87

[Editorial: "Unite, Continue the Struggle for the Sake of Establishing a Democratic Coalition Government"]

[Text] The 30th anniversary of the independence of the Federation of Malaya falls on 31 August this year. Ever since independence, conscious figures in our country have been analyzing this independence because, on the one hand, the reactionaries arbitrarily sold out national sovereignty for which the people had pricelessly paid with their blood to the British imperialists in the very beginning. On the other hand, the gains of independence have been seized by a handful of reactionaries trampling on the people even though this independence was paid with the people's blood. Political power has fallen to the reactionaries.

Looking back at history, the public will easily understand that this independence is not comprehensive; it cannot meet the people's wishes at all. It is public knowledge that soon after the Second World War the British imperialists arbitrarily restored colonialism in our country and launched an armed oppression against the people in our country in 1948 in disregard of the trends of world history when countries were calling for independence, nations were calling for liberation, and peoples were favoring revolution as well as in disregard of the strong demands for independence of the people of all races in our country who had become steadily aware during the anti-Japanese war. Naturally, this was strongly resisted by the people of all races in our country.

Thus, an anti-British national liberation war erupted and lasted for over 9 years. Under the firm leadership of the Communist Party of Malaya [CPM], the anti-British national liberation war waged by the Malayan National Liberation Army [MNLA] received the sincere and firm

support of the people of all races in our country and also won the solidarity of the progressive peoples of various countries in the world, including the progressive British people at that time. This war had a very great impact on people's national liberation movements in colonial and semi-colonial lands in Asia, Africa, and Latin America. The rapid developments and successful preservation of the anti-British national liberation war dealt a very serious blow against the British imperialists in the political, military, and economic fields and shook the very foundation of their colonial policy in our country. A broadly based mass movement developed vehemently thanks to the anti-British national liberation war which served as a pioneer and stimulus. Under pressure at home and abroad, the imperialists were eventually forced to announce the termination of their colonialism in our country and recognized the independence of the Federation of Malaya on 31 August 1957.

This represented a historic victory for the people in our country. All honest people admit that this independence would have been impossible to achieve had there not been the firm leadership of the CPM, bloody fighting waged by the MNLA, and the sacrifices and courageous struggle of thousands of communists, soldiers of the liberation army, and other democrats, with the fallen being replaced by others. Historical facts have undeniably proved that the CPM and the MNLA have provided the eternal historical services for the independence of our fatherland. The Kuala Lumpur reactionaries claim that the independence was bestowed upon them by the British imperialists. This is a treacherous distortion of history. Apart from being supported by the British imperialists, the Kuala Lumpur reactionaries also sold out national sovereignty to the British imperialists by signing the so-called British-Malayan Mutual Defense Pact, allowing British troops to remain in Malaya, and imposing the British colonial war on the people of our country through a domestic war. In addition, the reactionaries also guaranteed the plundering interests of British monopoly capitalists in Malaya. Ever since the reactionaries supported by the British imperialists came to power, the foreign monopoly capitalists have flooded into our country on favorable terms, bureaucratic and comprador capitalists have rapidly developed their power by plundering land, natural resources, and national wealth as much as possible, the gap between the rich and the poor and polarization in society have steadily widened, and the broad masses have again been plunged into misery. That is why (?the stages) of the struggle of the revolutionary masses have not ended but they are even continuing.

In the first years after the independence, the British imperialists continued to directly command this counterrevolutionary war with the British command troops and mercenaries of the British imperialists as the main forces. Meanwhile, the British imperialists also actively supported the bureaucratic and comprador capitalists of our country in the political and economic fields and did their best to assist the reactionaries in training and

expanding the counterrevolutionary army until the reactionaries gradually took over responsibility for continuing the counterrevolutionary war with hopes of crushing the people's revolutionary forces and preserving the interests of a handful of big capitalists by armed force. Under such circumstances, the CPM and the people's army under its leadership could not lay down their arms but firmly launched their revolutionary war to the end for sake of defending the revolution and the present and long-term interests of the people of all races.

Since the 1980's, the Mahathir clique has been a regime ruling our country in a most reactionary manner, implementing a series of reactionary policies that destroy the people and the country. The nation's people of all races are opposed to and dissatisfied with this policy. At the moment, all communities are demanding that poverty be eradicated and corruption hindered. They also want the government to help small- and medium-scale industries and prohibit the existence of several multimillion ringgit corporations. All communities are opposed to the Internal Security Act and other antidemocratic acts. They call for the release of all political detainees, maintenance of human rights, and the people's basic democratic rights. The people of all races demand equality among all races in the country, the safeguarding of solidarity among the races, and the widening of the various races' educational and cultural needs. The masses urgently demand that the counterrevolutionary war waged by the reactionary group in the country be stopped and that peace be restored.

How would it be possible for the people of all races to meet such demands? Some two years ago, on 29 April 1985, the CPM issued an important statement entitled *Let Us Struggle for the Sake of Implementing the Party's Present Special Program*, and gave all its details. The statement pointed out that all races in the country should be alert and strongly oppose the antipeople and counterrevolutionary war waged by the Kuala Lumpur ruling clique and set up a truly democratic coalition government that genuinely represents the people's interests. Democratic policies that represent the political and Economic interests of the people can only be implemented when such a democratic coalition government is set up in support of community development in our country. Laborers, farmers, the working masses, professionals, industrialists, and businessmen should unite with one another closely. Patriotic and democratic parties, organizations, community leaders, people of all strata, and individuals who oppose the Mahathir clique should strengthen their unity. They should join efforts and struggle together to oppose the internal counterrevolutionary war waged by the reactionary group and establish a democratic coalition government.

Cambodia

Soviet Official Voices Support for Talks
BK300901 Phnom Penh SPK in French 0403 GMT
29 Aug 87

[Text] Phnom Penh, 29 Aug (SPK) — Soviet Deputy Foreign Minister I. Rogachev has supported the accord

reached recently by Vietnam and Indonesia representing respectively the Indochinese and ASEAN countries, stressing that it might blaze a trail toward the settlement of the Cambodian problem and consequently constitute the first step toward the solution of regional problems.

During a press briefing held by his ministry in Moscow, the Soviet deputy minister went on to say: In the current circumstances, it is necessary that everything should be done to contribute to the strengthening of positive tendencies that have emerged in the development of the situation surrounding the Cambodian problem. It is necessary to bring these tendencies into full play to accelerate the dialogue and settle this problem in a mutually acceptable manner.

Meeting Held With LPDR, SRV, USSR Officials
BK281222 Phnom Penh SPK in English 1130 GMT
28 Aug 87

[Text] Phnom Penh SPK August 28 — A consultative meeting of the representatives of the Foreign Ministries of the People's Republic of Kampuchea, the Soviet Union, the Lao People's Democratic Republic and the Socialist Republic of Vietnam was held in Phnom Penh from August 26 to 28, (?says a) communique issued at the end of the meeting.

During the meeting, the communique continues, the participants exchanged views on problems concerning a political solution to the Kampuchean issue, on the development of the situation in Southeast Asia and on the strengthening of their mutual cooperation in the interest of peace, security and stability in Asia and the Pacific.

The Kampuchean side informed the participants of measures taken by the PRK to carry out its National Reconciliation Policy.

The representatives of the Foreign Ministries of the Soviet Union, Vietnam and Laos declared their full support for the PRK's August 27, 1987 Declaration on National Reconciliation Policy which, they stressed, conforms to the earnest aspiration of all Kampucheans to live in peace and without the threat of the Pol Pot genocide so as to build an independent, non-aligned and prosperous Kampuchea.

They laid stress on great importance of agreement in principle reached on July 29, 1987 between Vietnam and Indonesia, representing respectively the Indochinese and ASEAN countries.

They were identical of views on all questions raised during the meeting.

The participants were received by Kampuchean Foreign Minister Kong Korm.

SPK Reports Thai Border Violations
BK310649 Phnom Penh SPK in French 0421 GMT
31 Aug 87

[Text] Phnom Penh, 31 Aug (SPK) — From 26 July to 22 August, Thai L-19's, A-37's, F-5's, and helicopters

conducted 59 reconnaissance flights over the three countries' [Thailand-Laos-Cambodia] border intersection and the sectors of Preah Vihear Temple, Hill 547 (Preah Vihear Province), Anlung Veng, Ampil (Siem Reap-oddar Meanchey Province), and the end of Route 56, and Smat Deng (Pursat Province), 5 to 10 km inside Cambodian territory.

On the ground, Thai gunners fired several shells on Cambodian regions adjacent to Thailand, particularly the three-border intersection, Phnum Thom, Phnum Phcho, and Hill 715 (Battambang), Hill 1271 (Pursat), and Chan Kraham and Ampil (Siem Reap-oddar Meanchey).

At sea, 225 incursions by Thai boats were reported especially in the areas located between 6 and 12 nautical miles from Kong, Poulo Wai, and Tang islands.

The Cambodian Armed Forces backed by Vietnamese Army volunteers during sweep operations put out of action 677 Cambodian reactionaries who had crossed the border from Thailand, including 406 killed, 172 captured, and 99 forced to surrender. They seized 451 weapons, 567 artillery shells, 109 mines, and some other war materiel.

Drought Affects on Food Production

BK291405 Phnom Penh SPK in English 1054 GMT 29 Aug 87

[Text] Phnom Penh SPK August 29 — Up to mid-August the early-monsoon drought in Kampuchea had destroyed 15,077 ha of rice and 13,723 ha of corn and beans, left 105,700 ha planned for floating rice, manioc or corn cultivation untouched. Besides, thousands of animals, including 752 cattle head in Kompong Cham, Kandal, Takeo and Kompong Chhnang Provinces, were killed by the drought.

By August 25, rice cultivation had been done on only about 21 percent of 1.77 million hectares and the growing of subsidiary food and short-term industrial crops on less than half of 183,000 hectares earmarked for the monsoon croppings.

It is the most severe drought in years. The total rainfall recorded throughout the country is twice below the average volume and much less than that in the corresponding period of previous years. For instance, in Takeo Province only 65mm was measured from early monsoon in late May to mid-August. And despite a little rain brought to Kampuchea by "Cary" typhoon, from August 11 to 15 with from 0 to less than 10mm in the provinces of Takeo, Kandal, Siem Reap, Kompong Cham, Kampot, Pursat, Kompong Thom and Svay Rieng, from 11 to 30mm in Kompong Chhnang, Prey Veng, Kratie and Battambang, 40.2mm in Kompong Som City and 53.4mm in the city of Phnom Penh, the situation is not better.

According to the Kampuchean Meteorological Bureau, water in all reservoirs in the country was 11.2 percent less than last year and 542 mm below the average. [as received]

So far, various measures have been taken by authorities at all levels and peasants with the assistance from friendly countries and international organizations to combat the natural calamities. Water control projects, including dams, dikes, water-valves, sluices, canals etc, have been built or strengthened; 22 big pumping stations in the country have been put to use in addition to 939 water-wells including 260 newly dug ones.

Moreover, the Ministry of Agriculture has so far supplied the peasants with 80 13-hp pumping machines and a quantity of spare parts, (7836,000) litres of diesel and 15,700 litres of gasoline.

Itinerant technical teams have been organized by the Water Conservancy Department under the Ministry of Agriculture to help peasants repair and put into full function 230 mechanical pumps.

To cope with the prolonged drought, the Ministry of Agriculture, at its irregular meeting in Phnom Penh in early June which was participated in by representatives from 14 provinces throughout the country, decided to cover 90,000 ha with IR-rice varieties instead of medium-term rice as planned earlier; and 5,000 other hectares with dry-season rice instead of floating rice. Besides, great attention will be paid to the cultivation of subsidiary food crops, particularly manioc and taro. These natural calamities, according to sources of the Ministry of Agriculture, may result in a considerable shortage of paddy.

Nguon Nhel Opens Army Training Course

BK260250 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Aug 87

[Text] On the morning of 24 August, at the Phnom Penh military training school, a training course for regional Army cadres [words indistinct] was opened. It was attended by leading cadres from the party and state authorities and cadres [words indistinct] and militiamen from every central service, factory, and enterprise, and Phnom Penh municipality.

Speaking on the occasion, Comrade Nguon Nhel, alternate member of the Political Bureau of the party Central Committee and secretary of the Phnom Penh provisional party committee, highly appreciated [word indistinct] revolutionary gains scored by the Cambodian people in the past almost 9 years. In particular, Phnom Penh, the heart of the PRK, is being rebuilt with charm worthy of pride. The comrade also talked about the development in the military field throughout the country. The Armed Forces, comprising regular and regional forces and militia forces, are being tempered from central to local levels and have ensured the defense of the motherland both qualitatively and quantitatively by always scoring victories over the enemies. Comrade Nguon Nhel exposed the perfidious maneuvers of the enemies, including the Pol Pot, Son Sann, and Sihanouk clique, who have attempted to topple the Cambodian revolution but have been successively smashed by the Cambodian people

and armed forces. Finally, the comrade secretary called on the entire assembly to pay attention to reports and contribute to the training program and draw good experiences from various localities [words indistinct] and ensure safety for the people.

Sihanouk-Led Delegation Arrives in Beijing

BK310230 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 30 Aug 87

[Text] On 29 August, the DK delegation led by Samdech Norodom Sihanouk, president of Democratic Kampuchea; His Excellency Son Sann, CGDK prime minister; and His Excellency Khieu Samphan, DK vice president; arrived in Beijing for an official visit to the PRC at the invitation of the Chinese Government.

Cambodia and China have long-standing and close relations of friendship. People in the two countries have turned to each other for mutual assistance in difficult times. In the almost 9 years that Cambodia has suffered as a victim of Vietnam's brutal and savage aggression, the Chinese people and government have firmly supported and provided a great deal of assistance to the Cambodian people and the CGDK to wage a national liberation struggle. The Cambodian people would like to express most profound gratitude for this gesture by the Chinese people and government. The Cambodian people hope that this visit to the PRC by the DK delegation will further strengthen and expand the traditional close relations between the two countries and people.

Khieu Samphan on Indochina Situation

BK300834 Bangkok Thai Color Television Channel 9 in Thai 1300 GMT 26 Aug 87

[Interview with Khieu Samphan, CDGK vice president in charge of foreign affairs, by Channel 9 anchorman Dr Somkiat Onwimon; date and place not given —recorded in progress; Samphan remarks in Cambodian with super-imposed Thai translation, translated from the Cambodian]

[Text] [Khieu Samphan] The Indochinese federation's strategy is a regional expansionist strategy. The Soviet Union also has its clear-cut Asia-Pacific strategy within its global strategy

Therefore, the Cambodian people feel it is necessary to make an all-out effort to carry on the struggle, and they need the support and assistance of their friends and all countries of the world to bring pressure on Vietnam so that it will withdraw its troops from Cambodia.

[Somkiat] Do you really hope to recapture Cambodia from Vietnam in the near future?

[Khieu Samphan] In saying that our situation has improved in 1987 we are comparing it with the situation in 1979, and we see that in Cambodia at present, that is, from 1979-87, the Cambodian people's struggle has been making steady advances and the fighting forces of the

Cambodian people have been growing. Of course, the Vietnamese leaders in Hanoi do not want to end the war, but the Vietnamese troops on the battlefield are desperate. Without a solution to the Cambodian conflict, [words indistinct] the Vietnamese leaders [words indistinct] and cannot solve the problem of internal division within the Vietnamese leadership itself. The question is, how many more years will it endure this situation? In this case, Vietnam has only one way out — to resort to diplomatic maneuvers.

I would like to take this opportunity to express thanks to His Majesty the King, Her Majesty the Queen, the Royal Government, and the people of Thailand for consistently giving assistance to the just struggle of my Cambodian people, and for most generously providing shelter for hundreds of thousands of Cambodian war refugees who have taken refuge in the peaceful haven of Thailand. I would like to express most profound thanks, and like the rest of the Cambodian people, I will never forget the good deed of His Majesty the King, Her Majesty the Queen, the Royal Government, and the people of Thailand in coming to the rescue of the Cambodian people at the most difficult time of their history.

[Somkiat] How does the Coalition Government of Democratic Kampuchea fare now that — although its unity has increased — Prince Sihanouk has announced his temporary resignation?

[Khieu Samphan] This question has caused some alarm for our friends and for those of us on the Democratic Kampuchea side. But I hope [words indistinct] continue to be and so do our friends.

[Somkiat] Is there truth in Prince Sihanouk's complaints that the Democratic Kampuchea group or the Khmer Rouge harassed his faction, thus annoying him and prompting his current leave of absence?

[Khieu Samphan] Immediately after learning of this matter, we ordered a thorough investigation since we are responsible for the destiny of the people in our country and because of our responsibility vis-a-vis the samdech, who is president of Democratic Kampuchea. The investigation showed that before any report of a clash, we received only news of good cooperation and no reports about any clashes [words indistinct] about the vital importance of the great national union, of the great union of the forces of the three factions.

CGDK Spokesman on SRV Aid Diversion

BK310315 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 30 Aug 87

[Statement by unidentified CGDK Foreign Ministry spokesman; issued on 29 August]

[Text] Every year at the beginning of the year, the world hears the Vietnamese propaganda machine in Phnom Penh deceitfully saying that Vietnamese puppets in Phnom Penh have harvested good crops with so many

metric tons more than the previous year and at the same time spreading propaganda on development in Cambodia under the Vietnamese aggressors' rule. However, 4 or 5 months later, the same propaganda machine shouts about the Cambodian people are facing rice shortage using drought or floods as a pretext to ask for international humanitarian assistance. Every year, the Vietnamese aggressors use this method, taking advantage of the sympathy for the Cambodian people's suffering, to get world humanitarian assistance to feed their aggressor forces in Cambodia and continue to massacre the Cambodian people.

In fact, the reason for the Cambodian people's starvation is Vietnam's war of aggression in Cambodia. After the great famine in 1979, unprecedented in Cambodia's history, the Cambodian people continue to die of starvation every year. The generous aid of the world during the past 9 years has been basically diverted by the Vietnamese aggressors to feed their troops and their war of aggression. The Cambodian people continue to lack seeds and food supplies every year. Furthermore, the meager amount of paddy produced by our people has been plundered by the Vietnamese. Vietnam's K-5 plan and many other plans are also another major reason for the Cambodian people's continual shortage of food.

This reality clearly shows that to end the Cambodian people's suffering, the problem should be solved at its root, that is demanding that all Vietnamese aggressor forces be withdrawn from Cambodia to let the Cambodian people decide their destiny themselves without outside interference in accordance with successive UN resolutions of the past 8 years.

[Dated] 29 August 1987.

Grenade Attacks in Phnom Penh Reported

BK300412 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Aug 87

[From the "Daily Report From Various Battlefields" feature]

[Excerpt] Phnom Penh City battlefield: On 9 and 15 August, our national army in cooperation with the local people and patriotic Cambodian soldiers lobbed grenades at the Vietnamese in O Russei market place in Phnom Penh, killing two. On 16 August, our national army in cooperation with the local people and patriotic Cambodian soldiers lobbed grenades twice at the Vietnamese in Chhba Ampeou market, killing four and wounding three. [passage omitted]

Indonesia

Mokhtar Briefs Press on Cambodia Talks

BK311055 Jakarta ANTARA in English 1041 GMT 31 Aug 87

[“OANA/Pool” item]

[Excerpt] Jakarta, August 31 (OANA-ANTARA) — Foreign Minister Mokhtar Kusumaatmaja has said the length of his leave as ASEAN interlocutor with Vietnam

in the search for a settlement in the Kampuchean problem depends on hints indicating that all parties concerned are earnestly desiring to solve the crisis.

Speaking to newsmen after reporting to President Suharto at Merdeka Palace here Monday on the Kampuchean issue, Minister Mokhtar said the emergence of various opinions could not be detached from the fact that the crisis would be discussed in the forthcoming UN General assembly session in September.

The various comments on this issue have almost undone the settlement of this conflict, Mokhtar said.

At this opportunity Mokhtar reiterated his denial of the various reports which mentioned his threat to withdraw as ASEAN's interlocutor in the Kampuchean crisis if all parties do not want a peaceful settlement.

Queried by newsmen about the request of Chinese Foreign Minister Wu Xueqian to meet with him to discuss the Kampuchean conflict during their upcoming presence in New York for the UN General Assembly, Mokhtar called the request a good omen from China.

Nevertheless, he added, it is to be remembered that there is a difference between Indonesia and China.

Clearly, our point of view and starting point are different from those of China. China views this problem under the influence of its anger against Vietnam, explained Mokhtar.

Indonesia on the other hand adopts the attitude of concern for the fate of the long-suffering Kampuchean people, he added.

An additional aspect is that the conflict affects greatly one of the members of ASEAN, Thailand.

All of these countries involved are our neighbours in Southeast Asia, and Indonesia only wants to help find a chance that will open the way to the solution of this crisis, Mokhtar said. [passage omitted]

Denies Threat To Resign

BK290758 Jakarta Domestic Service in Indonesian 0700 GMT 29 Aug 87

[Text] Foreign Minister Mokhtar Kusumaatmaja denied reports saying he had threatened to resign as interlocutor of ASEAN in talks with Vietnam concerning the Cambodian problem. According to Mokhtar, this is untrue. In correcting the report by the mass media this morning in Jakarta, Foreign Minister Mokhtar said during the news conference yesterday that he only intends to take a vacation while observing continuing developments concerning the problem.

[Begin Mokhtar recording] I have never threatened to do so and this is due to, what is called the mass media's irresponsible reporting. This can cause havoc if the reporting is not in line with what I said. I wonder what was the objective of such a provocative report [end recording]

Several reports on Minister Mokhtar's weekly press meeting, quoted the minister as saying he threatened to resign as ASEAN's interlocutor if the parties involved in the Cambodian conflict would rather continue fighting rather than hold discussions.

Explains ASEAN Position

BK270554 Jakarta THE JAKARTA POST in English
22 Aug 87 p 1

[Text] Jakarta (JP) — In an effort to balance out the necessity for maintaining ASEAN unity and the development of good bilateral diplomatic relations with Vietnam, Indonesia yesterday [21 August] expressed its optimism over the holding of a Kampuchean cocktail party despite conflict of interests within the regional grouping and Hanoi's rejection of the results of the August 16 snap ASEAN foreign ministerial meeting in Bangkok.

Foreign Minister Mokhtar Kusumaatmaja yesterday rejected allegation that ASEAN was in sharp disagreement over the terms for an informal Kampuchea meeting dubbed a "cocktail party." But he admitted that for a country grouping like the Association of Southeast Asian Nations, it is only natural to have "different views" on political issues, adding that ASEAN which is "not a super-national grouping," has cultivated its strength and cohesiveness in this way.

Commenting on the motivation of the impromptu Bangkok meeting whose results were immediately dismissed as "negative response" by Vietnam, Mokhtar said in spite of the conflict of interests ASEAN was too precious to be sacrificed merely for the sake of Kampuchea.

"We can go on while letting them continue fighting," said the Indonesian chief diplomat.

At the Bangkok meeting — apparently initiated by Singapore and Thailand — the ministers modified the terms for a cocktail party agreed upon late last month between Mokhtar and his Vietnamese counterpart Nguyen Co Thach. The modified proposal calls for Vietnamese counterpart Nguyen Co Thach. The modified proposal calls for Vietnamese participation in the meeting "immediately after it gets underway."

The agreement reached in Ho Chi Minh City, however, did not place Vietnam in a position demanded by the rest of ASEAN. But Mokhtar maintains that Vietnam is a sovereign state "not willing to be told what it should do."

With the current stage of diplomatic moves where ASEAN has yet to hold another round of consultations and hear the views of Kampuchean resistance leader Prince Norodom Sihanouk, Mokhtar announced here yesterday that he was "taking a rest" for an indefinite period of time and that the cocktail party idea had better be "let to settle down" for the time being.

Although Mokhtar said here yesterday that he had obtained input from the rest of ASEAN before going to Vietnam, both the Vietnamese Communist Party newspaper *Nhan Dan* and Prime Minister Hun Sen in Phnom Penh prefer to see his move as an "Indonesian initiative."

Hun Sen said Wednesday Vietnam's rejection of the modified proposal "didn't mean to dash hopes for holding the meeting because the one which was rejected by Hanoi is the ASEAN formula and not the formula agreed to by both Indonesia and Vietnam."

Hun Sen said he was ready to meet with "any of the resistance leaders as groups or individuals" but reiterated that the Khmer Rouge faction be "eliminated as a political and military force in any final peace agreement."

Malaysian Foreign Minister Datuk Abu Hassan Omar and Thailand's Sitthi Sawetsila said Thursday that they did not consider *Nhan Dan*' reports as "official," adding "we will decide what to do only after receiving an official communication on Vietnam's rejection" of the modified proposal.

But Vietnamese foreign ministry spokesman told journalists in Hanoi later Thursday that Vietnam and its communist Indochina allies — Laos and Kampuchea — still considered the Mokhtar-Thach agreement as "valid." He said what they understood was that the "agreement was between ASEAN and Indochina" and that "it would be difficult" for the two sides to reach other agreements in the future "if this accord is broken."

Mokhtar said his envoy Nana Sutresna — the director general for political affairs at the foreign ministry here who yesterday met with Sihanouk ahead of ASEAN Standing Committee Chairman Sitthi Sawetsila's arrival in Pyongyang yesterday — had gone there "with a special message." He refused to elaborate.

Observers noted that while Indonesia is playing down the conflict of interests with in ASEAN, it has not actually concealed its dissatisfaction with the results of the Bangkok meeting.

The current diplomatic development on Kampuchea — which comes ahead of U.N. General Assembly sessions — could, nevertheless, help ASEAN reach the short-term goal of preserving its traditional annual stance at the U.N. meetings.

Information Minister on Political Situation

BK311329 Jakarta Domestic Service in Indonesian
1200 GMT 31 Aug 87

[Text] Suroso, coordinating minister for politics and security, presided over a coordinating meeting on political and security affairs in Jakarta this afternoon. The coordinating meeting was attended by Foreign Minister Mokhtar Kusumaatmaja, Defense and Security Minister Poniman, State Minister for Population and Environment Emil Salim, Attorney General Hari Suharto, and Yoga Sugama, head of the National Intelligence Coordinating Agency.

Speaking to newsmen after the coordinating meeting, Information Minister Harmoko said that the domestic political situation and security and social order are stable and under control. In addition, Minister Harmoko also explained efforts to enhance the legal consciousness among the people.

[Begin Harmoko recording] After discussing reports from regions, the coordinating meeting on political and security affairs summarized that the domestic political and security situation is stable and under control. There have been no significant upheavals or disturbances. The coordinating meeting on political and security affairs attributed this to, among other things, the people's increasing consciousness in contributing to the creation of a stable political and security climate. Security and social order during June 1987 were also reported to be under control. Criminal cases were not of a serious proportion. The security authorities and the people themselves will continue to take more effective measures in this regard. Another topic discussed during the coordinating meeting on political and security affairs was efforts to enhance legal consciousness among the people. The coordinating meeting on political and security affairs welcomed efforts to enhance the legal consciousness among the people, which will be jointly undertaken by the Department of Justice and the Department of Information through the Judges Enter Villages program and the Newspapers Enter Villages program. The dissemination of information on law is part of a strong desire to create and develop dynamism in the rural areas with a view to encouraging the active participation of people in all development activities in the rural areas. Cooperation to enhance the legal consciousness among the people is due to be implemented in September 1987 under the coordination of the departments and agencies. [end recording]

Touching on why the issue of the sports lottery was not discussed during the meeting, Minister Harmoko said that the coordinating meeting on political and security affairs is still awaiting the observation of an evaluation team set up to look into the matter. The team will first report to the social affairs minister who will then report to the coordinating meeting on political and security affairs as soon as possible.

Laos

Editorial Denounces Thai Annex 'Scheme'
BK011056 Vientiane KPL in English 0922 GMT
1 Sep 87

[All quotation marks as received]

[Text] Vientiane, September 1 (KPL) — The leading Lao daily *Pasason*, in its editorial today, denounces Thailand's scheme to annex a part of Lao territory in the northwestern Lao Sayaboury Province.

To judge Thailand's ambition in this regard, *Pasason* recapitulated the "Preah Vihear case" between Thailand and Kampuchea in 1959-62, in which Thailand abused the Thai-Kampuchean border map and Siamized the artistic appearance of Preah Vihear Temple aiming at absorbing it. However, Preah Vihear still remains a property of the Kampuchean people thanks to the just decision of the World Court.

Imbued with this outdated ambition, *Pasason* points out, Thai infantry troops in 1984 made an attack against and

occupied the three Lao borderline hamlets in Sayaboury Province. However, the Thai side had to declare the withdrawal of its troops from the area due to world public pressure. But in fact, a number of Thai soldiers are still stationed 100 to 300 metres deep inside Lao territory here.

"Despite the fact that the problem of the three Lao hamlets has not yet been completely settled, Thailand has recently dispatched several battalions of its troops to protect Thai traders in smuggling Lao wood from Lao Boten District of Sayaboury Province, and to attack and occupy Kongdeuan area in Lao territory," *Pasason* says, adding to this effect that Thailand's officers and mass-media have already premeditated a pretext by alleging that Laos has carried out provocative acts at Phou Soidao area and misunderstood the demarcation line.

The 1907 treaty between France and Siam states:

"From the side of Luang Prabang, the frontier detaches itself from the Mekong, to the south, to the mouth of the Nam Houng and follows the Thalweg of this river to its source which is situated at Phou Khao Miang. From there the frontier follows the watershed between the Mekong and the Meaname up to the Mekong, at a point called Keng Phadai, conforming to the line adapted by the former Commission of Delimitation on January 16, 1906."

To execute this land-grabbing operation, Thailand has always referred to his French-Siamese treaty. So doing, *Pasason* notes, Thailand has revealed its ambition: first, it wants to revive its intention to swallow up neighbouring countries' territory, and second, it is attempting to change the source of the Mekong River.

Otherwise, it will not deliberately distort the content of the French-Siamese treaty, *Pasason* concludes.

PRK Reconciliation Policy Welcomed
BK291007 Vientiane KPL in English 0923 GMT
29 Aug 87

[Text] Vientiane, August 29 (KPL) — *Pasason*, "organ of the LPRP CC, wholeheartedly welcomes the People's Republic of Kampuchea's policy on national reconciliation issued on August 27 in Phnom Penh, describing it as corresponding to the Kampuchean people's aspirations and the regional and international trend.

"The result of the recent talks between the Vietnamese and Indonesian foreign ministers, representing respectively Indochina and ASEAN, is also in line with the trend of public opinions in the region and the world, *Pasason* says, adding that any problems in the present era — no matter how thorny they may be — could be settled by political means and dialogues.

Regrettably, the paper points out, the agreement reached by the interlocutors of the two groups of countries is prevented from being implemented on groundless pretexts advanced by reactionary groupings in the region and some ASEAN countries.

"The Thai foreign minister has clearly expressed his rejection of the matter, following his meeting with Chinese leaders and Sihanouk, *Pasason* says, describing this act on their side as an outdated trick to revive the Pol Potist regime and to oppose the rebirth of the PRK.

"Basing themselves on the ties of special solidarity, great friendship, and militant alliance among the three Indo-chinese countries, the Lao people always stand side by side with the fraternal Kampuchean people in the struggle for national reconstruction and for the solution of their domestic affairs without outside interference," *Pasason* stresses, adding, in conclusion, that the Lao PDR will firmly contribute to the peaceful settlement of regional problems for peace, stability and cooperation in Southeast Asia.

Phoumi Vongvichit Receives Egyptian Envoy
BK281652 Vientiane KPL in English 0900 GMT
28 Aug 87

[Text] Vientiane, August 28 (KPL) — Phoumi Vongvichit, acting president of the Lao PDR on August 27, received new Egyptian Ambassador to Laos Mustafa Muhammad 'Ali Ahmad on the occasion of his presentation of credentials.

The Egyptian Embassy has its office in Hanoi. Phoumi Vongvichit congratulated the new ambassador on his appointment and expressed his hope that the ambassador would do his best to contribute to the strengthening of relations between Laos and Egypt for the interests of the peoples of the two countries.

The talk proceeded in a cordial atmosphere.

This morning, the new Egyptian ambassador will call on Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs.

Philippines

Coup Leader Sought; Investigations Urged
HK311224 Hong Kong AFP in English 1217 GMT
31 Aug 87

[Text] Manila, Aug 31 (AFP) — Government troops were searching north of Manila Monday for about 200 rebel troops and coup leader Colonel Gregorio Honasan, who vanished Friday during some of the worst fighting, military spokesmen said.

A spokesman at Camp Olivas, a military base some 100 kilometers (62 miles) north of the capital in Pampanga Province, said that "probably about 200" rebel troops who had fled the regional police headquarters Saturday were in the area.

"We are still tracking them down," Major Enrique Galang said. "There is a possibility that they might regroup."

Maj Galang said that the whereabouts of Col Honasan were not known "with definiteness" but that he was believed to be in the area north of Manila and that

several "intelligence operatives" had been dispatched to look for him.

The major told *Agence France-Presse* that the some 200 rebels who escaped from Camp Olivas early Saturday just 30 minutes before government troops arrived were armed with M-16's.

He added that "everything in the region is under control."

Col Honasan, 39, nicknamed "Gringo", has been in hiding since fleeing armed forces headquarters here Friday in a white Puma helicopter during a government assault to retake the complex from some 500 rebel troops.

Armed Forces spokesman Navy Lieutenant Anselmo Cabigan said here Monday that all military and police commanders were under orders to arrest Col Honasan and his fellow coup leaders and to shoot them if they resisted arrest.

Col Honasan, the former right-hand man of opposition leader Juan Ponce Enrile, was the ringleader of the coup bid crushed by loyal troops which President Corazon Aquino said included a plan to assassinate her and her family.

Mr Enrile has called on Col Honasan, who was his chief of security when he was defense minister, to turn himself in.

Presidential spokesman Teodoro Benigno said Monday that "eventually Gringo's whereabouts will be known. It's just a matter of time."

"Gringo owes it to his followers to show up," he added.

Meanwhile, Armed Forces chief General Fidel Ramos spelled out Monday what steps would be taken against troops involved in the failed takeover bid.

A statement released by the military and signed by the general said that at the latest count a total of 810 officers and enlisted men had been detained and were undergoing processing.

More than 700 rebel soldiers, including about 30 officers, who surrendered or were captured in the coup try have been confined on Philippine naval ships in Manila Bay since the coup attempt.

The death penalty for rebellion was abolished by Mrs Aquino — who has ruled out any amnesty for the rebels — before Congress convened on July 27.

In his statement, Gen Ramos stressed that the "overall policy is to maintain unity, operational effectiveness and morale, and discipline in the Armed Forces."

"Those who are identified as the leaders or ranking members of the plot who committed overt acts of mutiny... are to be placed under arrest, detained and investigated immediately," he said.

Gen Ramos said soldiers who followed orders "without knowing the legality or illegality of such orders" could be merely confined to camp or released, "depending upon the unit commander's assessment or recommendations."

Cadets End Hunger Strike

*HK010017 Manila Far East Broadcasting Company
in English 2300 GMT 31 Aug 87*

[Text] Over in Baguio City, the 600 cadets of the Philippine Military Academy [PMA] have decided to end the hunger strike they launched earlier in support of the rebels led by Colonel Honasan. The move was decided following a dialogue with government representatives.

Cadets Continue Boycott

*HK011215 Manila Radio Veritas in Tagalog
1000 GMT 1 Sep 87*

[Text] The massive strike of PMA [Philippine Military Academy] cadets and junior officers is now in its second day. According to a report the cadets remain confined in their barracks and continue to boycott classes. This is to express their support of Colonel Honasan's group. Armed Forces spokesman Colonel Honesto Isleta said the PMA cadets are victims of a disinformation campaign by Honasan's supporters in the PMA camp. Here are more reports from Pablo Mercado of Radio Bombo, Baguio City.

[Begin recording] [Mercado] To date negotiations between the government military officials and PMA junior officers and cadets seem to be at a standstill. This was disclosed by PMA Superintendent Commodore Rogelio Dayan at a news conference which he called. The news conference took place inside the academy.

[Dayan] Definitely there were no other strikes, if that is what you are referring to. But if you are referring to the passive strike [words indistinct]. For a very limited period it was not really implemented fully because there were also divisions among them as to whether they should go into that or not. So they should [word indistinct] their assigned duties [words indistinct].

[Mercado] There is a group of [word indistinct] military officers who are presently talking with the cadets. They are investigating the events that took place at the PMA especially at the height of the attempted coup last Friday. [end recording]

Probe Into Foreigners Role

*HK311516 Hong Kong AFP in English 1500 GMT
31 Aug 87*

[Text] Manila, Aug 31 (AFP) — Pro-government members of Congress Monday said they will look into the possibility that Friday's bloody attempt to topple President Corazon Aquino was backed by foreign forces, including U.S. officials or right-wingers.

It was not immediately clear why both houses of the month-old Congress called for such an investigation.

Mrs Aquino has not publicly suggested that there could have been a foreign hand in Friday's takeover bid by junior military officers put down after 30 hours which saw heavy fighting in Manila.

Jose Yap, chairman of the House Committee on National Defense, told reporters his panel will look into the possible involvement of "outside forces" including "rightist U.S. Government officials."

Senate defense panel chairman Raul Manglapus said in a privilege speech: "We have been visited by political philosophers from the United States who are known advocates of extreme right-wing response to the communist threat."

He said Filipino soldiers might have been influenced by such visitors, but he did not know of any actual involvement by such people in the attempt.

Senator Ernesto Herrera in a privilege speech called for an investigation "to determine if foreign powers or civilian personalities were involved in the recent coup attempt."

"There is a rumor now that some foreigners are involved," he added.

Senator Jose Lina said in a television interview that such a probe was needed "so we can take the necessary steps to prevent a repetition, or to stop this kind of interference, if indeed there is interference."

"I'm not saying there was interference, but what happened was strange, they (the rebels) were too bold. And usually there is the element of foreign interference in an adventure such as this."

Meanwhile, House Speaker Ramon Mitra urged the military to "go through a cleansing process of its ranks," and added that "we must isolate those who led the coup out of naked lust for power from those with legitimate grievances."

Left-wing representative Venancio Garduce meanwhile proposed the abrogation of an agreement allowing U.S. military bases in country in exchange for military and economic aid to Manila.

"This high state of dependency underscores the vulnerability of any presidential administration to the pressures and influence of the power elite of the country that provides us with the arms," Mr Garduce said.

The coup attempt caught the country by surprise. The election of a new congress last May was widely perceived to be a stabilizing effect and a deterrent to armed attempts to seize power.

Senator on CIA Involvement

*HK010123 Quezon City Sports Radio 738 in English
0100 GMT 1 Sep 87*

[Text] Senator Raul Manglapus has urged the Senate to look into the involvement of the American Central Intelligence Agency in last Friday's abortive coup. Manglapus said he had heard that a group of foreigners who

visited the country earlier might have had a hand in the mutiny. He denounced what he described as the dastardly act of the rebel soldiers, led by renegade Colonel Gregorio Honasan.

Manglapus' proposal was shared by Senator Ernesto Herrera, who also questioned the capability of the military establishment in carrying out its task of safeguarding the Filipino people. Herrera proposed that the Senate must (?look) over the grievances of the mutineers.

Reports on Junta Dismissed

HK010511 Hong Kong AFP in English 0500 GMT
1 Sep 87

[Text] Manila, Sept 1 (AFP) — The Philippine Armed Forces Tuesday dismissed reports that rebel military officers had set up a provisional government north of here after Friday's failed coup attempt.

But a source close to the rebel troops told *Agence France-Presse* that what the source described as a junta had been set up by coup leader Colonel Gregorio Honasan in central Luzon, home to most of the 1,200 soldiers officially estimated to have joined the takeover bid.

Armed Forces chief spokesman, Colonel Honesto Isleta, told *Agence France-Presse*: "How can they succeed in setting up a junta when they do not even control a single district?"

He said a "memorandum" issued by the "Ruling Junta of the Provisional Government" dated August 29 — the basis of some press reports that a junta was in existence — had been prepared before the coup attempt.

"They would release this or read this over radio after they succeeded," he said, adding that a copy of the memorandum had apparently been obtained by the press from one of the more than 700 captured soldiers.

Col. Isleta reiterated that there was no "shoot on sight" order on Col. Honasan, who fled from the Manila Armed Forces main base, Camp Aguinaldo, as government troops mounted an air and ground assault to retake it Friday.

He said security forces would shoot Col. Honasan only if he resisted arrest.

The source close to the rebel soldiers — who asked not to be named — said that what he described as a junta had been set up in central Luzon in order to draw Armed Forces chief General Fidel Ramos to an area "where he has no troops loyal to him."

The source said the coup attempt failed because "Honasan didn't expect Ramos to fire at them," but added that many soldiers who joined the assault on Camp Aguinaldo played out a "mock battle" to avoid killing fellow military men.

"It was an acoustical war," said the source, who asked not to be named.

The fighting cost [at] least 33 lives in the capital Friday, according to figures compiled Monday by AFP from the military and health department.

In a statement Sunday, the military said 21 people were "confirmed" dead and 109 wounded during the takeover bid. The dead included 19 government soldiers, six rebel troops and two civilians, the military said. [numbers as received] The wounded were 61 government soldiers, 24 rebels and 24 civilians, it added.

A health department spokesman said Monday that 287 people had been injured in the fighting and that 23 people had died. The dead included five soldiers, 14 civilians and four people who had not been identified.

Ramos on Averting Civil War

HK010943 Hong Kong AFP in English 0936 GMT
1 Sep 87

[Text] Manila, Sept 1 (AFP) — The Philippines averted a civil war when troops loyal to the government crushed a military revolt last week, Armed Forces chief Fidel Ramos said here Tuesday.

Gen. Ramos also called for an immediate meeting of the National Security Council following a claim by remnants of the rebel forces to have established a "provisional government" led by a ruling junta in the central Luzon region north of Manila.

"The junta is . . . a last-ditch effort to rally people to a lost cause," Gen. Ramos said in a statement.

But he added: "We must make sure that it does not challenge, disturb or endanger the authority of this government."

Gen. Ramos said loyal members of the Armed Forces had "averted civil war by crushing a coup attempt" in at least three regions of the country.

The Armed Forces chief said he did not know the whereabouts of coup leader Colonel Gregorio "Gringo" Honasan but said there were "many efforts to track and eventually bring him to our custody."

Col. Honasan vanished as the coup bid crumbled and was reported to have escaped from the main army camp here aboard a white Puma helicopter. He was believed to be in hiding north of Manila.

Gen. Ramos said that by leading Friday's coup attempt, Col. Honasan "unwittingly gave aid and comfort" to the communist insurgency, which he said "remains the most serious threat to our security and stability."

Malacanang Rules Out Martial Law Imposition
BK311212 Quezon City RPN 9 Television in English
1030 GMT 31 Aug 87

[Text] Malacanang has ruled out the imposition of martial law despite the continued threat to the lives of President Aquino and her family. At present, the president has not seen the need to declare martial law even on

a selective basis such as in Metro Manila, center stage of last Friday's abortive coup.

According to Press Secretary Theodoro Benigno, Mrs. Aquino will not use her emergency powers to quell the simmering armed struggle within the military. However, Benigno admits that there are still serious threats of another coup attempt.

Businessmen Warn Aquino of Disenchantment
HK311212 Hong Kong AFP in English 1149 GMT
31 Aug 87

[Text] Manila, Aug 31 (AFP) — The Philippines' main business organization warned President Corazon Aquino Monday of "emerging disenchantment" with her government and said last week's bloody coup attempt was bound to happen.

Prices on the stock market plunged Monday, the first day of trading since Friday's takeover attempt by junior military officers.

But spokesmen said the drop was offset by a 10 percent rise early last week in key indexes following the rollback of domestic oil prices.

Averages in the two bourses here were all down Monday, with the Manila Stock Exchange composite index closing 24.12 points lower and the Makati Stock Exchange composite index losing 45.71 points since Thursday, the last trading day. The local stock exchanges are closed on Fridays in August.

The peso remained stable at 20.45 to the dollar Monday, according to foreign exchange rates released by the Central Bank.

The Philippine Chamber of Commerce and Industry said in a statement that Friday's takeover bid would probably make foreign businessmen wait longer before investing in the country.

Most businessmen remain "strongly supportive" of the government but "to maintain this support, the government must patch up some of the leaks in its ship which have become evident," the business group said.

"These last few months . . . have witnessed some emerging disenchantment not just within the military but among other sectors as well," it said.

"The government should look into the sources of this disenchantment and reassess whether it can still maintain its seemingly wavering stance on issues central to peace and order, business confidence and economic growth."

"The August 28 aborted coup attempt may have initially caught many by surprise," it said, although others realized it was "bound to happen."

"It is no secret that the military today is still plagued with dissension and displeasure within its ranks. Thus, only the issue of 'when' was a matter of speculation," it said.

Aquino Makes Public Appearance in Quezon
HK010701 Hong Kong AFP in English 0647 GMT
1 Sep 87

[Text] Manila, Sept 1 (AFP) — President Corazon Aquino said here Tuesday that God would spare her life "so long as the country needs me" and asked Filipinos to support her against any future coup attempts.

Mrs. Aquino made the statement in her first appearance at a public gathering since a bloody takeover attempt last week by junior officers, including an attack on the presidential palace complex in which her son Benigno was wounded.

Speaking at the 30th anniversary of the government's Social Security System, a smiling Mrs. Aquino said she showed up for the affair despite the coup attempt since "life does have to go on."

Earlier, at a Mass before the same gathering, Manila Archbishop Jaime Cardinal Sin said it was a "miracle" that the "well-organized and well-executed" coup attempt failed, attributing it to "a hand from above."

The prelate, an influential figure in this predominantly Catholic nation of 57 million, said the coup bid was "not surprising," and repeated earlier criticisms of continuing graft and corruption in government.

"It was a miracle that the rebel soldiers did not succeed in their efforts to storm Malacanang and to capture and perhaps kill President Aquino," he said.

At least 33 people died and more than 200 were injured in the most serious attempt to topple the Aquino government since it took power 18 months ago.

A devout Roman Catholic, Mrs. Aquino agreed with the cardinal and said: "I am convinced that so long as the country needs me, God will spare me and with your help, we will be able to thwart all these moves and we will succeed."

Mrs. Aquino appeared at a military camp during National Heroes' Day celebrations on Sunday, but the public was barred from the gathering.

She spoke Tuesday under the heavy security at the Social Security building in Quezon City, the Manila suburb where the worst fighting between rebel and government troops occurred.

Aquino Endorses National Budget Proposal
HK271514 Manila THE MANILA CHRONICLE
in English 26 Aug 87 pp 1, 6

[By staff member Romina de los Reyes, with Vet Vitug]

[Text] President Aquino yesterday signed and endorsed to Congress a proposed national budget of P169.7 billion for 1988 which features a significant 18 per cent increase in outlay for defense and security and 16.4 per cent increase in education's share.

At the same time, the budget includes a P21.2 billion increase in the country's debt service burden over this year's.

The budget proposal, as well as other financial and tariff measures, would preoccupy the House of Representatives in the coming months.

Taking most of the chamber's time would be the scrutiny of the budget, whose review and approval are a task exclusively vested on the House by the Constitution.

Even as the House tackles the proposed budget, it will also consider at the same time various measures, press the inquiry on the country's foreign debts, and scrutinize the tax structure and other trade acts.

These measures, which are now being discussed at the committee level, are expected to be presented shortly before the entire body.

Budget Secretary Guillermo Carague, accompanied by Malacanang liaison officer to the House Chito Ayala, yesterday submitted a copy of the budget proposal to Speaker Ramon Mitra Jr. and other House leaders. The proposal was accompanied by President Aquino's budget message.

The committee on appropriations, which will do the spadework on the budget scrutiny, will meet today even as the proposed national appropriations will be presented to the floor in the afternoon for first reading.

In her message to Congress, Mrs. Aquino justified the increase in the defense budget, saying it was done "to make good my pledge to end all threats to our democracy by the end of my term."

Defense expenditures, according to the budget department, will account for 5.7 per cent of the total budget, as "a complementary measure to fight lawlessness and rebellion."

Education accounts for 13 per cent, "the single largest provision to a given sector," as part of a move to "correct" the neglect of government programs for the social services in the past years, President Aquino said.

At P5.7 billion, the provision for health services will go up by 16.2 per cent over this year's.

While the 1988 budget is P9.3 billion or 5.8 per cent bigger than this year's, P69.2 billion of it or about 41 per cent will go to service the country's debts. It also features a trimmed-down budget deficit of P20.2 billion, or about 2.6 per cent of the gross national product, lower by 3 per cent than this year's deficit-to-GNP ratio.

Mrs. Aquino said reducing this deficit further "would mean trimming the productive component of the budget, in which a substantial portion of our economic recovery efforts is anchored."

She admitted that on a per capita basis, the 1988 budget "amounts to a meager P2,891 per person (P1,713 per person, excluding debt service and net lending), way below the per capita spending in other developing countries."

To meet the funding requirements of ongoing capital projects and "to sustain the momentum of economic reconstruction," the government proposes to borrow P45 billion from domestic and foreign sources.

"It is unfortunate that more than half of every peso we borrow in 1988 will be used to pay back government debt," Mrs. Aquino said.

"Written in the budget plan are the sins of the past regime," she said, referring to the government's assumption of the liabilities incurred by such agencies as the Philippine National Bank, the Development Bank of the Philippines and the National Power Corp.

These assumptions increased the debt service burden by P29.1 billion in 1987 and by P21.2 billion in 1988.

Mrs. Aquino also noted the "unprecedented increase" in the budget of the Department of Trade and Industry, which will be P597 million, up by P304 million from its 1987 outlay.

This increase, she said, was given "on the promise that it will be accompanied by a dramatic rise in new investments and exports in 1988."

"Failing that," she warned, "its budget in 1989 will be reduced correspondingly."

The president also said government will limit budgetary support to state-owned enterprises to P12.3 billion, explaining such support from 1981 to 1986 had resulted in budgetary deficits.

Mrs. Aquino also expressed her disappointment with the government's pace of privatization and laid down the policy on this: That "state-owned enterprises in areas where the basis for government intervention is weak, as for example, hotels, air-lines and commercial banking, will be privatized as soon as possible — perhaps within the year 1988."

Revenue collections of P122.4 billion are expected in 1988, about P12.9 billion or 11.8 per cent more than this year's target.

President Aquino said the proposed budget was "consistent with a program of fiscal responsibility aimed at progressively reducing the budget deficit to less than one per cent of GNP by the end of my term."

'Massive Shakeup' of Armed Forces Planned
HK010419 Hong Kong SOUTH CHINA MORNING POST in English 1 Sep 87 pp 1, 2

[From correspondents in Manila]

[Excerpts] A massive shakeup in the 160,000-strong Armed Forces of the Philippines is now in the planning stage, according to high-ranking military officials.

The officials confirmed that a sweeping change of assignments for middle to senior level officers will accompany "a revamp of the entire command system".

The initiative for the move is understood to have come direct from President Corazon Aquino, who is also commander-in-chief of the Armed Forces, in the wake of last Friday's bloody military rebellion.

The move highlights widespread concern in government circles over the extent of support the rebel soldiers had in military camps around the country.

One palace official said the estimated 1,500 rebels who participated in the short-lived rebellion "were only the tip of the iceberg".

On a national scale, statements of sympathy for the rebel cause, unauthorized seizure of provincial facilities, and other defiant actions by troops meant the rebels "may have had four times their number in support", the official said. [passage omitted]

Military and government sources confirmed that it was Mrs Aquino herself who ordered a full assault on rebel troops holed up in military headquarters at Camp Aguinaldo.

The uprising had left "open tension" between Malacanang and the military leadership, said the officials, adding that Mrs Aquino had since made it clear that she was unhappy with the handling of the situation.

Mrs Aquino had first ordered the assault at 8.30 am. However, no shots were fired by government troops until midday.

Heavy weapons were brought in by late afternoon, after repeated orders from the palace. By late evening, half the rebel forces were said to have been captured or to have surrendered.

Two of Mrs Aquino's advisors confirmed that the perception in the palace was that the military leadership was slow to react and was partly responsible for allowing so many rebels to escape from several parts of Manila.

The advisors also confirmed that advance intelligence reports notifying military headquarters of an impending rebellion 24 hours before were not adequately acted upon.

The uprising was read partly as evidence of massive discontent in the Armed Forces with the present military leadership. [passage omitted]

Ileto Says U.S. Prepares Base Initiative
HK271538 Hong Kong AFP in English 1522 GMT
27 Aug 87

[Text] Manila, Aug 27 (AFP) — Washington will have the initiative in talks on the future of major U.S. military bases in the Philippines because Manila is not doing its homework, Defense Secretary Rafael Ileto said Thursday.

U.S. access to Subic Naval Base and Clark Air Base ends in 1991 and the agreement comes under review next year. Under the Philippine Constitution, it can only be renewed if endorsed by a two-thirds vote by the Senate and ratified in a plebiscite.

"If we have to negotiate with the bases, we must prepare right now and show the Americans that we are prepared to take over the vacuum that they are creating once they pull out," Mr. Ileto said.

But he said even the United States was "aware that we are not even building for that."

"How can we negotiate effectively? They know that they are holding the cards," he told reporters after emerging from a Senate committee hearing on the bases.

In the hearing he batted for their retention, saying the current defense budget was only barely enough to contain internal threats. He argued that for the Philippines to stand on its own on security matters, its military budget would need to be doubled.

The hearing was being held after half the 24-man Senate sponsored a bill banning the manufacture, storage, distribution or use of nuclear weapons and devices in the country.

The Constitution calls for "a policy of freedom from nuclear weapons" in Philippine territory. Washington neither confirms nor denies the presence of nuclear weapons or devices in its Philippine installations.

Philippine President Corazon Aquino has said she will respect the current bases agreement until it expires, but wants to keep her options open after that.

Senators Comment After Touring U.S. Base
HK271545 Manila MANILA BULLETIN in English
27 Aug 87 pp 1, 10

[Text] The United States is building a new \$32-million airfield at Clark Air Base in Pampanga, a team of senators that toured the U.S. base was told yesterday.

Sen Ernesto C. Maceda told newsmen about it upon the team's return from the tour at the Villamor Air Base. Maceda said American briefing officers told them of on-going constructions which provide additional economic support to the Philippines.

Senate President Jovito R. Salonga led senators in touring both Clark Air Base and the Subic Naval Base in Subic, Zambales, in connection with the upper chamber inquiry into the question of foreign military bases here.

The Senate committees on foreign relations and on national defense will adopt a common stand on the future of American bases in this country, Salonga told newsmen.

He said that the two committees will hold a joint meeting soon for this purpose. Sen Leticia Ramos-Shahani heads the committee on foreign relations, while the committee on national defense is led by Sen Raul Manglapus.

Sen Agapito Aquino said the U.S. briefing officers at the two U.S. bases "gave us the impression that the bases are invaluable to both the Philippines and the United States."

The Senate inquiry is held significant in view of the bilateral review next year of the RP [Republic of the Philippines]-U.S. military bases agreement and its expiration in 1991.

In the transitory provisions of the new Constitution, after the agreement expires, "foreign military bases, troops, or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when the Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting State."

The senators said that when they asked about the presence of nuclear weapons in the two bases, the American briefing officers declined to confirm or deny their presence.

The officers said this was the official U.S. Government response to such queries.

Asked by newsmen if the senators suspect that nuclear weapons are stored in the bases, Senator Aquino said, "We have our own suspicions."

Aquino said a mechanism should be provided to check if there are indeed nuclear weapons in the bases. At any rate, he said, the Senate will abide by the constitutional provision on nuclear weapons.

Soviet Insurgency Involvement Unconfirmed
HK271542 Manila MANILA BULLETIN in English
26 Aug 87 pp 1, 10

[Text] Defense Secretary Rafael Ileto said yesterday that reports of Soviet nationals being involved in the insurgency movement are not supported by facts.

Ileto said reports received by the military indicated the presence in the rural areas, of "white Caucasians who look like Russians and can speak Pilipino."

It has not yet been confirmed if they are Russians, he said. They may be here for a legitimate purpose.

They could also be Americans.

The defense chief said the reported landing of arms and ammunition has not been confirmed.

"If we can capture these persons or get pictures of the arms landing, then I can confirm it. But I do not confirm this because I myself am not too convinced that we have an accurate report on this matter," Ileto said.

He added the AFP [Armed Forces of the Philippines] is continuing with its policy of grabbing the initiative from rebels.

He stressed that although the number of armed encounters has increased, the casualty score of the government against the rebels has greatly improved.

He said even the police forces have shifted to the offensive in the rural areas, citing the stand put up by the policemen of Manapla, Negros Occidental, in defending the community against a rebel group.

The Manapla policemen killed 20 New People's Army (NPA) members in the ensuing firefight.

Ileto commended the attitude and morale of the policemen in the counterinsurgency operation of the military.

De Villa Admits NPA Insurgency on Upswing
HK271552 Quezon City MALAYA in English
27 Aug 87 pp 1, 2

[Text] Lt. Gen. Renato S. de Villa, AFP [Armed Forces of the Philippines] vice chief and PC-INP [Philippine Constabulary — Integrated National Police] chief, admitted yesterday that the 18-year-old communist-led rebellion waged by the New People's Army is on the upswing and that there is a widespread perception that the military is "ineffective" in handling the insurgents.

He took exception to this public perception, however, saying the military is on top of the situation.

De Villa's statement came in the wake of intensified rebel activities in the countryside and amid reports that the "Walong Bayan" [Nationwide Strike] called by various groups yesterday succeeded in paralyzing transportation in the metropolis and various cities.

Other developments:

— In Batangas, about 60 heavily armed rebels raided the Fortune Cement factory in Barangay Mabolo, Taysan Tuesday night and carted away a huge cache of dynamites, blasting caps, detonation cords and assorted firearms. No casualty was reported.

— A battalion of soldiers (about 500 men) was immediately sent to the province to track down the rebels upon orders of AFP chief Gen. Fidel V. Ramos.

— Rebels raided yesterday the Standard Banana plantation in Barangay Mabuhay, Panabo, Davao del Norte and fled with high powered (firearms).

— An 11 p.m. to 4 a.m. province-wide curfew in Negros Occidental will be imposed starting Tuesday next week by military authorities, even as they claimed that they have captured the leader of the rebels in the daring Manapla attack.

The rebels reportedly blew up a concrete bridge at barangay Manoling, Cauayan town, to slow down government troopers pursuing them.

The suspected rebel leader in the Manapla raid, identified as Castillo Pasion, alias commander Dan, 23, was killed later by his own comrades after his "capture," the military said.

The Negros Occidental curfew, Saga Mayor Victor Puey said, was agreed upon by both military and civilian officials during a peace and order council meeting.

Meeting the press at the Command General and Staff College in Fort Bonifacio, De Villa said rebel attacks against the military and the number of communist-influenced barangays have increased.

"I am confident we can more than handle the situation . . .," De Villa said, referring to the growing perception that the military is falling behind in the counter-insurgency drive.

He also warned customs officials reportedly involved in gun-smuggling at the Manila International Airport and other entry points. He said erring customs men are closely watched and his office is fully aware of their activities.

NPA Plot To Assassinate Aquino Reported
HK271312 Manila THE MANILA TIMES
in English 27 Aug 87 pp 1, 6

[By correspondent Melody Mendoza]

[Text] There is a plan by the New People's Army (NPA) to assassinate President Aquino before the month is over, radio transmissions intercepted by the Eastern Police District (EPD) in Pasig revealed yesterday.

The alleged assassination plot was hatched by the rebels because of Aquino's "flimsy decision" on the controversial oil price increases, EDP sources said.

The radio transmissions, according to the sources, emanated from Tiaong, Quezon, an NPA-infested area.

The rebels, using communication equipment apparently confiscated during ambushes of military outposts and convoys, reportedly used the radio frequency of the police in relaying the assassination threat.

Arsenia Estrebel, EDP radio operator, reported that the district received the first radio call at 5 a.m. yesterday. Mobile patrol cars of the district, whose radios are patched to the central radio room, also monitored the transmissions, it was reported.

Capt. Ricardo Mendoza, command duty officer of the Integrated National Police, upon being informed of the "interception," reported the matter to higher military and police authorities who in turn alerted all major police commands in Metro Manila.

NPA Rebels Attack Davao Radio Stations
HK280600 Manila Far East Broadcasting Company
in English 0410 GMT 28 Aug 87

[Text] Communist rebels staged simultaneous attacks last night on two radio stations in Davao City. Five station employees were killed and one wounded. Lieutenant Colonel (Chris Maralit), spokesman of the Philippine Constabulary, said about a dozen rebels, including two women dressed as nuns, entered the studio of

station DXRA and opened fire. At about the same time, another group raided station DXMF on the other side of the city. (Maralet) had no breakdown on how many were killed or injured at each station.

DXRA is the station of controversial anticommunist Jun Tana, the unofficial spokesman of the Alsa Masa [People's Uprising]. (Maralet) said Tana was not at the station during the attack. Gunmen believed to be rebels fired on the station last December.

MNLF Group Signs Agreement With Military
BK271251 Quezon City RPN 9 Television in English
1030 GMT 27 Aug 87

[Text] Nine top commanders and leaders of the Zamboanga del Norte Revolutionary Committee of the Moro National Liberation Front and the Bangsa Moro Army, MNLF and MBA [as heard], have signed a joint agreement with the military. The group called today on AFP [Armed Forces of the Philippines] chief General Fidel Ramos not only to express their sentiment on the written agreement but also to join forces with the government in support of President Aquino's reconciliation program. The signatories to the 6 August agreement were led by Commanders (Iman Nani), (Kudin Ahmarul), (Usman Pawa), and (Hamid Gumaga).

The nine MNLF and MBA leaders of the Zamboanga del Norte revolutionary group pledged [that] in the event MNLF Chairman Nur Misuari declares war, they will not engage in any armed confrontation with the government forces.

Thailand

Outgoing Soviet Envoy Comments on Spy Case
BK010254 Bangkok THE NATION in English
1 Sep 87 p 6

[Text] Soviet Ambassador Valentin Kasatkin yesterday dismissed as "fairy tales" press reports that a deported Briton and another detained German had been spying for the Soviet Union and said they did not deserve a comment from him.

"It's a kind of a fairy tale or fairy tales which do said he not deserve a comment because they're completely groundless and baseless," he told a press conference at the Soviet Embassy.

He said he did not know the existence of Geoffrey Higginson who was declared persona non grata and deported on Sunday and only read about the alleged espionage in the press.

Higginson was accused by Thai authorities of possessing classified information on Thai relations with other countries including the United States, China and other ASEAN members. The West German, identified as Tomas Benes, is being detained for further interrogation at the Soi Suanplu immigration office.

Ambassador Kasatkin said he would not have paid any attention to the reports if they had no adverse impact on the Thai public opinion towards the Soviet Union.

He noted that the story was first reported by a Hong Kong-based magazine and the leak was originated from the British colony island, not Thailand.

However, he confirmed the planned replacement of two managers of the Soviet airline Aeroflot and of the Thasos Shipping Co. But he described the replacement as a usual rotation.

Press reports said the two managers had been told that their visas would not be extended because Thai authorities suspected the two were involved in espionage.

"The Soviet Union does not have any ill intention either toward Thailand or toward Thai people," Ambassador Kasatkin told the reporters.

Premier Gen Prem Tinsulanon said yesterday the alleged espionage would not hurt Thai-Soviet relations because the issue of espionage is separated from the issue of international relations.

Prem said espionage is nothing unusual in international relations, as every country tries to gather intelligence one way or another. The espionage incident would not affect the plan of the army chief to visit Moscow next month or his own plan to go to the Soviet Union next year. "We want to go to improve relations," he added.

Ambassador Kasatkin held a press conference yesterday to bid farewell since his term here has just been completed. But questions about the spy scandal arose.

The ambassador declined to disclose who would be his successor or where his next posting would be saying official confirmations from the Thai and Soviet Foreign Ministries have yet to come through.

He said during his farewell call on Prime Minister Prem last week, he discussed the invitation for Prem to visit the Soviet Union.

He said he had the impression that the visit would take place in the first half of next year.

Both the planned visits by Prem and Army Commander-in-Chief Gen Chawalit Yongchaiyut in October this year would contribute to the strengthening of Thai-Soviet relations.

Gen Chawalit will be the highest Thai military officer to have visited the communist superpower.

The ambassador said Thai businessmen have shown interest in joint ventures with the Soviets and agreements are being made by both sides.

He said the Soviets are ready to cooperate with the Thais in forestry and fishery in ventures that can be set up both in Thailand or the Soviet Union.

The Soviet Union also has proposed a meeting of ranking experts of the two countries to explore the ways and means of expanding trade and economic ties, he said, adding he hoped the meeting could take place by the end of this year.

He noticed that although the trade volume has risen during his stay here, the transaction has been simple and needs to be diversified.

BANGKOK POST Editorial

BK010314 Bangkok BANGKOK POST in English
1 Sep 87 p 4

[Editorial: "Mixing Spying With Diplomacy"]

[Text] Reform may be the order of the day in the Soviet Union as the policy of glasnost or "openness" seems to indicate, but to expect that it would touch all aspects of Soviet life is to expect too much.

At least the Soviet intelligence service, the KGB, seems to be immune from the process. The disclosures that followed the successful crackdown on the Soviet spy network in Bangkok last week were just another addition to a long series of ugly incidents in Soviet diplomacy around the world showing the Soviets make no distinction between decency and shady practices when it comes to intelligence gathering.

Of course diplomacy and intelligence are two sides of the same coin. But, for the Russians, when the coin is flipped, eight out of ten times it will be the intelligence side that turns up. In order to get ahead, the Russians will do just about anything.

This year known espionage activities committed by the Soviet Union have already far outstripped those of other countries, including the United States. They range from the stealing of technological secrets from Japan and the Western countries, to peeping at the U.S. position on the arms deal right in the Americans' backyard, to interference in the internal affairs of the trouble-plagued Philippines and now to snooping on Thailand's relations with friendly countries such as China, ASEAN and others.

Although what took place in Bangkok may not arouse world attention in the way that the sex-and-spy scandal at the American embassy in Moscow did, Kremlin boss Mikhail Gorbachev will suffer yet another credibility problem. And the incident pointed to unreliability and insincerity on the part of the Kremlin.

Mr Gorbachev has been on record as saying that Moscow wants good relations with all countries in the Asia and Pacific region.

During his May visit to the Soviet Union, Thai Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila was assured of Moscow's intention to play a constructive role in the search for peace and stability in the Southeast

Asian region. Now those promises have proved to be as empty as ever. If the Russians do not mend their ways soon no-one will ever believe them again. They should know that no trust or confidence can be foraged from espionage.

Last week's arrest and subsequent deportation of two Soviet spies was certainly not the first nor, will it be the last. The Thai counter-espionage authorities can never lower their guard. They must know the country is fast becoming the nerve centre of Soviet spy activities for Southeast Asia and beyond, as the confessions of the two agents indicated.

But it was a surprise that the two were let off easily. A consideration may have been that they are citizens of other friendly countries. Also, the fact that Army Commander-in-Chief Gen Chawalit Yongchaiyut is due to visit Moscow in October might have made for leniency. In any event this action did not alleviate the threat which Thailand is facing.

Outgoing Soviet Ambassador Valentin Kasatkin gave a farewell press conference yesterday and predictably failed to clear the air on the spying issue. He probably knew that it would not do anybody any good now the incident has become a fact, and that nothing could save the Soviet image.

But to have been more frank than he was, was the least he could have done for Thai-Soviet relations.

Soviet Ambassador Reviews Trade Relations
BK010258 Bangkok BANGKOK POST in English
1 Sep 87 p 5

[Text] Thai-Soviet relations have been developing in the right direction but "we still do not yet know each other quite well," outgoing Soviet Ambassador Valentin Kasatkin said yesterday before leaving Bangkok.

He said this intellectual distance "is a kind of handicap in our trade and economic relations" but observed that during the past three years there was a "significant rise" in the volume of Thai-Soviet trade.

"But this rise could be more significant," he told the press conference yesterday. The ambassador said the present level and the composition of the foreign trade "is very limited," with Soviet Union buying mostly the agricultural goods from Thailand.

"Sometimes," he said, "we lose the opportunities which exist." Mr Kasatkin disclosed that a third country had once proposed to sell the Thai rice to his country at a very cheap price.

"How is it possible I do not know," he said. "Thai rice in a foreign country, the price for which was significantly cheaper than the price we were offered here in Thailand and that we were ready to buy.

"So you see, the potential is quite big, but probably we still do not yet know each other quite well." The ambassador said that the Thai business community also knew

little about the potential of the Soviet Union "despite all our efforts."

"But the same is true with the Soviet business community which does not know fully the potential of Thailand," he continued, adding that the USSR would welcome "very warmly" the possibility of the Thai business community staging a business exhibition in Moscow.

"The scale of that the exhibition is not important. The most important is the first step: just to try to establish personal contacts. The real potential exists for the widening and strengthening of trade and economic ties."

The ambassador also touched on the Soviet suggestion of the "creation of bilateral joint ventures," saying that the appropriate Soviet and Thai representatives have already been working very seriously on formalising "this kind of joint ventures."

He proposed that such joint ventures could be arranged not only here in Thailand, but also in the Soviet Union, adding that the Soviet Union has adopted a special programme for the development of the Soviet Far East and would "welcome participation of the Thai business community."

The ambassador said that a group of "high-ranking Soviet experts" would come to Bangkok very soon for talks with the Thai counterparts. Their mission, he elaborated, would be to "try to outline the fields and spheres of possible economic and trade cooperation between our two countries."

Mr Kasatkin noted that the exchanges of different delegations between the two countries had become "a natural feature in the Soviet 'Thai relations.'" Prime Minister Prem Tinsulanon is scheduled to visit the Soviet Union next year while Army chief Gen Chawalit Yongchaiyut is scheduled to go to Moscow next month.

This would be "the first encounter of the military people of this high rank between the two countries," the Soviet Ambassador commented.

He also hoped that "these direct contacts between the different leaders of the two countries will make a certain contribution to the further development and the strengthening of the Soviet-Thai relationship."

Issue of Cambodian Cocktail Party Viewed
BK280349 Bangkok BANGKOK POST in English
28 Aug 87 p 5

[Article by Jacques Bekaert from the "Kampuchean Diary" column: "Party Unlikely, Cocktails or Not"]

[Text] After a few weeks of diplomatic moves, it looks like back to square one for Kampuchea. More likely than not, there will be no radical breakthrough soon. Even if Indonesian Foreign Minister Mokhtar Kusumaatmaja believes that "agreement to have the meeting (between

the various Khmer factions) has already been reached" with Vietnam and that what "remains to be worked out are the details and arrangements for a cocktail party," it is very doubtful that any "party" will take place any time soon.

Indonesian newspapers in general, *Merdeka* and *The Jakarta Post* in particular, reacted angrily to the modifications brought by the August 16 meeting in Bangkok of the ASEAN foreign ministers to the statements issued in Ho Chi Minh City a couple of weeks earlier by both Mokhtar and Vietnam's Foreign Minister (and Deputy Prime Minister) Nguyen Co Thach. "We have the impression that all ASEAN countries agree that Indonesia plays the role of mediator in an informal meeting on Kampuchea," wrote *Merdeka* in its August 20 editorial. "This means that ASEAN endorses the Press statement made by Foreign Minister Mokhtar and his Vietnamese counterpart... on the matter... However the road towards the 'cocktail party' is quite rumpy due to the Thai attitude. By causing difficulties for ASEAN, Thailand has undermined the efforts to establish a consensus system in the regional organisation."

Thailand, as far as we know, was not the only ASEAN country to express its reluctance toward some of the terminology used in the joint Indonesian-Vietnamese communique. It is correct to say that Bangkok — and maybe Singapore — are a bit more sceptical about Vietnamese intentions than Jakarta. It is partly the result of different experiences.

It is doubtful indeed that the introduction of the eight-point proposal of the Coalition Government of Democratic Kampuchea (CGDK) is going to attract much positive reaction from Hanoi. The simple fact that the eight points were issued during a CGDK meeting in Beijing alone makes it suspicious to Vietnam. On the other hand, to ask for Hanoi's participation at an earlier stage of the conversation between the various Khmer factions — a position shared by several ASEAN countries — is hardly surprising.

The real question though, is rather simple: Is everybody sincerely ready for serious negotiations about the future of Kampuchea? If the answer is a clear yes, then anything is possible, eight points or not, because no durable solution will come out without some serious compromise from both sides.

The Indonesian media's suggestion that Thailand is keen to prevent a political solution to the Kampuchean drama and is basically interested in a prolongation of the Kampuchean conflict because such is Beijing's desire and because the war is beneficial for a lot of people here, is at best ill-informed and misses a few points. Bangkok and China do not always agree on Kampuchea. In fact Thailand has tried hard to bring some flexibility to Beijing's position, especially regarding the Khmer Rouge. That certain people in the Kingdom are drawing some financial profit from the war is probable. But to believe that a man like Foreign Minister ACM [Air Chief

Marshall] Sitthi Sawetsila would willingly contribute to the extension of the conflict for material benefit makes no sense and, given the personal integrity of the man, is plainly insulting.

One may agree or not with ACM Sitthi's strong position, but he is probably one of the few non-Khmer senior officials of the region that has a serious concern for the plight of the Khmers themselves.

One could also add that if Thailand is really worried about its security, a settlement that would bring some distance between the People's Army of Vietnam [PAVN] and Thailand's borders would be welcome in Bangkok. As long as the war goes on in Kampuchea, the PAVN remains a bit too close for Thailand's comfort.

Since Vietnam is not really losing the war in Kampuchea, it may still be very reluctant toward any solution that does not fully protect its own perceived needs for national security. Here is a very tricky concept if there ever was one. It has been used and abused by a variety of governments to justify a wide range of questionable policies. But Vietnam's concerns — rightly or wrongly — are real and cannot be ignored.

Nor can a few international principles. Including Kampuchea's right for self-determination. What makes the Kampuchean drama so complex is the involvement of so many external forces in the conflict, the existence of the Khmer Rouge and the divisions among the Kampuchians themselves. Should indeed the various Kampuchean factions agree on a unanimous solution to bring peace and full independence to their country, there is little that any outside power could do to prevent such an agreement.

Speaking a couple of months ago to a journalist from the Italian Communist newspaper *L'Unita*, Prime Minister of the Phnom Penh government, Hun Sen, said that the problem "can only be settled if there are negotiations. It cannot be done if one side is in Phnom Penh, another in Bangkok, one in Beijing and another in Pyongyang." Hun Sen also explained that although he welcomed "any diplomatic activity that can lead to a solution in Kampuchea," the issue could not be settled "by other countries."

A few observers believe that something is in fact going on between two of the Kampuchean factions, the People's Republic of Kampuchea (PRK) and Prince Sihanouk — that a meeting between the prince and one or several Phnom Penh representatives could take place during the next few months. Sihanouk in a recent telegram to his son Prince Norodom Ranarith, wrote that he would be ready to meet Hun Sen in Pyongyang or at a hotel near Charles de Gaulle Airport close to Paris. A de facto alliance between the PRK and the Sihanoukists makes some sense. But it would leave important players, like China, outside and frustrated. Further arrangements would be necessary to ensure a lasting peace not only in Kampuchea but in the region. At this point a growing

number of diplomats and experts think that Vietnam will indeed withdraw its "volunteers" by 1990. They are also convinced that Hanoi would make sure to keep a determinant influence in Kampuchea. And few people on this side of the political fence are convinced that Vietnam is ready for a truly neutral Kampuchea. At the same time many observers believe that a debate is taking place in Hanoi regarding the future of the nation's involvement in Kampuchea. "Vietnam is now determined to find a solution to the Kampuchean problem. It is a necessity if the country wants to emerge from its economic mess," a well-informed American diplomat said recently. Others are less certain.

Prem on Government Economic Achievements
BK311056 Bangkok Domestic Service in Thai
0530 GMT 31 Aug 87

[Text] Prime Minister General Prem Tinsulanon held his sixth meeting with newsmen at 1100 today at Government House on the topic Government Administration in the Past 7 Years. [as heard]. Also present were five deputy prime ministers — Phichai Rattakun, Phong Sarasin, Major General Chathchai Chunhawan, Admiral Sonthi Bunyachai, and General Thianchai Sirisamphan — and Minister Attached to the Prime Minister's Office Michai Ruchuphan. Speaking about the government's administration in the past year, Prime Minister Gen Prem said:

[Begin recording] You probably already realized and can probably say that it is gratifying that the government's past economic decisions have benefited the country considerably. Among those decisions are: the baht devaluation, the cultivation of fiscal and monetary discipline, the increase of national budget for economic recovery, and so forth. They have helped create economic stability and have satisfactorily benefited the country. We have now overcome various crises and are entering a better period and marching forward confidently.

Speaking of economic growth, compared with the countries in the region we are among the leaders, proving that the decisions we took were correct. We have been more careful with our expenditures. For example, we no longer borrow as much as we once did. A look at relevant figures will show that our economic situation is good, enabling us to repay the loans to the satisfaction and confidence of international organizations, several of which have been ready to extend us cooperation in loans of considerable amounts.

Regarding the austerity measures, they are among the measures which the government thanks all concerned for their cooperation. The austerity measures have contributed to our marked success in various fields. What I and the present government have done and are trying to do extensively is to improve the lives of the rural poor at all costs. We have paid special attention to this issue because we believe that if we can solve the poverty problem we can solve practically all other problems of the country. For this reason, we have devoted everything

to this issue. We have invested considerable funds, labor, and ideas to achieve successful rural development. In a way, the royal benevolence project brings encouragement to the government and the people in general. It has contributed to reducing poverty to an extent. [end recording]

The prime minister said national administration along the successive national economic and social development plans has greatly contributed to solving of problems of the country. He said:

[Begin Prem recording] Many areas of work of the current government are a continuation of the national administration work I undertook after I became prime minister. I want to emphasize here the continuation of national administration along the Fifth National Economic and Social Development Plan during 1981-1986 and the beginning of the sixth plan this year. This continuation is what benefits the country much, particularly in the attempt to eradicate rural poverty. I want to cite some figures, we have allocated the national budget to the main ministries — the Agriculture, Interior, Public Health, and Education Ministries — to the tune of about 54 billion baht. This money is what helps the rural people improve their lot and provides them with more complete services, such as Tambon health stations, hospitals, electricity, schools, roads, and increased income for people in poverty-stricken rural areas. We have these figures and they are available.

I received reports from the ministries concerned with the topics which I just discussed — be they the Agriculture, Interior, Public Health, Education, Industry, and the Science and Technology Ministries or other agencies concerned with development and rural job creation — and was given assurances that their conversation with the people and random samplings showed that the economic status of the rural people has improved. We have learned the same thing during our own visits to the rural areas. Some of you may have heard the saying that large crowds of rural people showed up during our visits because they were herded there or they were there to receive donations. I think that kind of remarks is close to being an insult to the people.

Speaking of the rural problems, we must acknowledge that the problems have not been completely eliminated but still remain. But they will gradually decrease and will become easier to solve as time passes. At the minimum, we are confident that in the next 5 years we will be able to improve the life of the rural people in accordance with our basic necessity scales. [end recording]

The prime minister then gave the deputy prime ministers the opportunity to speak to newsmen and answer their questions.

Government's Fiscal Position Termed Strong
BK280413 Bangkok BANGKOK POST in English
28 Aug 87 p 13

[Text] The Government's current fiscal position is very strong with treasury reserves amounting to about 8,000

million baht, the highest in years, and revenue earnings for the first 10 months of fiscal 1987 outstripping expenses by more than 33,500 million baht.

Deputy Comptroller General Suphachai Phisitwanit said the Government's revenue collection this year was expected to meet target — that is, the Government's deficit shortfall would be no higher than the projected 42,000 million baht.

The Government's improved revenue collection was partly due to the better performance of state enterprises, enabling them to contribute higher income to the Government, Mr Suphachai said.

In the first 10 months of the fiscal year, the contributions of profitable state enterprises amounted to 8,025 million baht, only about 150 million baht short of the whole-year target of 8,174 million baht. The 10-month contribution was 500 million baht more than target, and the contributions for the whole year are expected to be 1,000 million baht higher than target.

Mr Suphachai said the Government had also projected state enterprises' contributions next fiscal year as about 8,739 million baht.

"The contributions may be higher due to the ruling by the Council of Economic Ministers that all profitable state enterprises contribute at least 30 of their profits to the Government," he said.

As the fiscal position has improved, Mr Suphachai said the Government will try to reduce domestic borrowings, which will enable it to allocate more money for administrative and investment purposes.

"At present, the debt repayment on principal alone is as high as 24 [percent] of the total fiscal budget, leaving only about 76 [percent] for administration and investment."

Mr Suphachai said revenue collection in the first 10 months of the fiscal year amounted to 191,178.5 million baht, comprising 153,731.2 million baht in income and 37,447.3 million baht in borrowings.

The collection was 83.8 of total collection projected for this year and 21,461.3 million baht or 16.2 higher than the collection for the same period last year.

As for expenditure in the corresponding period, Mr Suphachai said it amounted to 157,636.5 million baht, comprising 113,756.5 million baht for administration, 13,467.4 million baht for loan principal repayments and 30,412.6 million baht for loan management.

Meanwhile, Revenue Department Secretary Narong Phak-ari said the revenue collection during the first 10 months of the fiscal year amounted to 56,964.85 million baht, up 3,773.08 million baht or 7.09 [percent] on the same period last year, but 2,338.02 million baht or 3.94 [percent] below target.

This breaks down into 16,234.50 million baht in personal income tax, up 405.63 million baht or 2.44 [percent] over the same period of last year, but 3,757.50 million baht or 18.80 [percent] below target.

Corporate tax collection amounted to 11,620.14 million baht, up 263.30 million baht or 2.32 [percent] over the same period last fiscal year and 1,304.27 million baht or 12.64 [percent] above target.

The business tax collection was 27,727.85 million baht, up 3,820.19 million baht or 15.98 [percent] over the same period last year and 205.85 million baht or 0.75 [percent] above target.

Earnings from duty stamps was 1,017.09 million baht, up 184.77 million baht or 22.20 [percent] over the same period last and 97.09 million baht or 10.55 [percent] above target.

Travellers tax collection was 308.43 million baht, up 25.81 million baht or 9.13 [percent] over the same period last year, but 156.57 million baht or 33.67 [percent] below target.

Vietnam

Haiphong Court Sentences Armed Robber *BK310616 Hanoi Domestic Service in Vietnamese* 1100 GMT 28 Aug 87

[Text] On the morning of 26 August, the Haiphong city people's court held a hearing to publicly try (Pham Ba Hai) on charges of armed robbery and attempted murder while resisting arrest by a public security officer.

(Pham Ba Hai), a resident of Xuan Lam Lane in Me Linh ward of Haiphong city, at 2215 [1515 GMT] on 12 August 1987 used a pistol to threaten a man on the street in an attempt to steal his motorcycle, license plate No B-50. When he was chased by members of the Ha Ly ward public security service, (Hai) used the pistol to shoot point-blank at the chest of Third Lieutenant (Le Duc Dong), seriously wounding the public security officer.

(Hai), who was apprehended on the spot, was charged by the Haiphong city people's court on two counts — robbing a citizen of his property and attempting to commit murder while resisting arrest by an on-duty officer.

Acting in accordance with state law, the Haiphong city people's court handed down a death sentence for (Pham Ba Hai).

Quang Nam-Danang Court Convicts Officials *BK300958 Hanoi Domestic Service in Vietnamese* 2300 GMT 25 Aug 87

[Text] The Quang Nam-Danang provincial people's court recently tried Tran Duc Tuan, director of the agricultural material enterprise of the Quang Nam-Danang industrial office on charges of abusing his authority, violating the economic management regulations, and

irresponsibility, thus causing serious losses to socialist property. Under the pretext of business and production alliances, from November 1985 to June 1986 Tran Duc Tuan signed papers to sell 2.7 tonnes of iron and 10 tonnes of cement at distribution prices to a number of cadres of the railway supply enterprise No 2 for their own use or for resale to profit from the price differential, thereby causing a loss of 43,000 dong to the state. In mid-1985 — although the first 6-month plan had not been completed — Tran Duc Tuan approved an allotment of 127,000 dong from the enterprise's business fund to award cadres, workers, and personnel of the enterprise. He himself received the largest part of this sum. He then falsified receipts to legalize this bonus.

Moreover, Tran Duc Tuan was pleaded guilty of selling his state-managed house at a price equivalent to 70 grams of gold. He, then sought and successfully resided in a bigger house of the enterprise.

Also at this trial, the Quang Nam-Danang people's court tried Le Van Qui, head of a warehouse of the provincial agricultural material enterprise who caused great losses to this establishment. Due to their irresponsibility, Tran Duc Tuan and Le Van Qui caused a loss of 2,201 ball bearings of various sizes, 779 machine belts, and other spare parts valued at 3,389,000 dong. The Quang Nam-Danang people's court sentenced Tran Duc Tuan to 3 years and 6 months imprisonment; and Le Van Qui, 18 months. The two must pay appropriate compensation to the state for these losses. Tuan must also pay damages to people he cheated.

Through this trial, representatives of the Quang Nam-Danang industrial office have admitted their negligence in managing cadres and socialist property, thereby creating loopholes for some bad cadres to carry out their illegal trade.

Disciplinary Steps Taken Against Party Members
BK291252 Hanoi Domestic Service in Vietnamese
1100 GMT 28 Aug 87

[Text] According to the newspaper *Saigon Giai Phong*, in an effort to improve party control work and build firm, strong party organizations to enhance the quality of party members, on 27 August the Duyen Hai District of Ho Chi Minh City took disciplinary action against 16 party members who failed to demonstrate good quality, ethics, and a sense of responsibility.

Nguyen Quoc Khoi, deputy director of the service corporation, was expelled from the party for deliberately acting against management principles and for disseminating lewd materials. Nguyen Van Ben, deputy chief of the An Thoi Dong village security service, was expelled from the party for failing to fulfill his work assignment, being irresponsible, and skipping party meetings. Truong Ngoc Nam, a member of the Binh Khanh village party committee, was warned for failing to observe cash and economic contract control principles. Tran Van Linh, chief of the Tam Thoi Hiep village security service, was warned about his drinking problem.

So far, 33 individuals have been admitted by the Duyen Hai District party organization. Nevertheless, improvement of the contingent of party members at the grass-roots level is still slow. More than 80 cases are still under consideration for admission by the Duyen Hai District party committee. A number of grass-roots party organizations are still unable to work out yearly party development plans; show little concern for building and consolidating mass organizations, particularly youth union organizations; fail to systematically organize party development work strictly in line with prescribed regulations; and are still subject to narrow-mindedness and prejudices.

Hanoi Increases Small Production Units
OW291710 Hanoi VNA in English 0708 GMT
29 Aug 87

[Text] Hanoi VNA August 29 — An addition of 226 production teams and 1,432 households with a total of 5,635 workhands in Hanoi has engaged in small industrial and handicraft production over the past six months of applying incentive economic policies towards private economic sector.

In Hoan Kiem Precinct alone, 344 workshops were established involving 233 households, public employees and pensioners.

The volume of goods produced by the new production units in the past six months contributed to increasing the total value of commodities of the city's small industries and handicrafts by 19.2 per cent over the corresponding period last year.

Indonesian Trade Delegation Pays Visit
OW231657 Hanoi VNA in English 1500 GMT
23 Aug 87

[Text] Hanoi VNA August 23 — An Indonesia trade delegation led by Djukardi Odang, chairman of the Pantja Niaga Company, arrived here on Aug. 19 for a visit to Vietnam.

It had working sessions with economic and trade agencies in Hanoi and Ho Chi Minh City on the development of trade relations between the two sides, and on the possibility of cooperation in the field of economy between Vietnamese and Indonesian partners.

The Indonesian guests were received by Chairmen of the Council of Ministers Vo Van Kiet, Nguyen Co Thach and Doan Duy Thanh, and head of the State Commission for External Economic Relations Vo Dong Giang.

Pham Hung Message on Cambodian Drought
OW290632 Hanoi VNA in English 1512 GMT
28 Aug 87

[Text] Hanoi VNA August 28 — Pham Hung, chairman of the Council of Ministers, today sent a message of sympathy to Huu Sen, chairman of the Council of Ministers of the People's Republic of Kampuchea, over the heavy losses caused by the current drought to Kampuchea's agricultural production and its people's life.

His message expresses the wish that the Kampuchean people soon overcome the difficulties and consequences caused by the natural disaster and their life soon return to normal.

NHAN DAN on Cambodia Reconciliation Policy
OW291401 Hanoi VNA in English 0710 GMT
29 Aug 87

[Text] Hanoi VNA August 29 — "The policy of national reconciliation issued by the People's Republic of Kampuchea on August 27 reflects the all fervent desire of patriotic Kampucheans for stability and happiness of the country", says *Nhan Dan* in an editorial today.

The paper goes on :

"All people of conscience know that national reconciliation is the right approach for Kampuchea and a realistic and humane policy. it is sure to win wholehearted support from the people inside and outside the country, including those on the other side.

"However", *Nhan Dan* says, "the national reconciliation is a protracted, arduous and complex struggle in view of the frenzied opposition by forces inside and outside the country. They have been sabotaging national reconciliation or using the label of national reconciliation to actually undermine it, buying off the backward elements, intimidating suspicion in the chicken-hearted, and sowing suspicion to break any effort toward unity. They do not (not) want a peaceful, progressive and prosperous Kampuchea in national concord. Some of them have not (not) abandoned their attempt to reimpose the genocidal regime upon Kampuchea." *Nhan Dan* expresses the Vietnamese people's firm confidence that the implementation of this policy would bring about happy changes, thus contributing to the building of a peaceful, really stable, prosperous and happy Kampuchea, as well as to peace and stability in Southeast Asia and the the world over.

USSR Supports Cambodia Reconciliation
OW290527 Hanoi VNA in English 1519 GMT
28 Aug 87

[Text] Hanoi VNA August 28 — "Kampuchea's programme for national reconciliation will contribute to accelerating the process of national reconciliation among all patriotic forces in Kampuchea in the interests of the Kampuchean people and to establishing good neighbourhood and cooperation in Southeast Asia," said a senior official of the Soviet Foreign Ministry at a press conference in Moscow yesterday.

G. Gerasimov, head of the Information Department of the Soviet foreign ministry, further said that, in its newly promulgated policy on national reconciliation, the Government of the People's Republic of Kampuchea declared its preparedness to meet representatives of opposition Khmer groups excluding Pol Pot and his closest collaborators to discuss the programme for national reconciliation.

He highlighted the P.R.K. government's call on all Overseas Khmer patriots to return to their fatherland to work as Kampuchean citizens for the building of an independent, peaceful and non-aligned Kampuchea and its friendly relations with neighbouring countries.

VNA Carries Foreign Ministry Statement
OW281629 Hanoi VNA in English 1454 GMT
28 Aug 87

["Foreign Ministry's Statement" — VNA headline]

[Text] Hanoi VNA August 28 — The Vietnamese Ministry for Foreign Affairs, with the concurrence of the Ministries of Foreign Affairs of the People's Republic of Kampuchea and of the Lao People's Democratic Republic, issued here today the following statement on the informal meeting of the ASEAN foreign ministers:

During his visit to Vietnam from 27 to 29 July 1987, on behalf of the ASEAN countries, the Indonesian foreign minister, Dr Mokhtar Kusumaatmaja, held talks with his Vietnamese counterpart, Mr Nguyen Co Thach, on behalf of the three Indochinese countries. The two sides reached important agreements recorded in the July 29, 1987 Vietnam-Indonesia joint press release. As clearly stated in the latter: "On the idea of a cocktail party from Indonesia, an understanding was reached that an informal meeting of the two sides of Kampuchea be held on the basis of equal footing without preconditions and with no political label, to which at the later stage Indonesia will invite other concerned countries including Vietnam to participate".

A communication agreed upon by the Ministries of Foreign Affairs of Vietnam, Kampuchea and Laos was handed in extension to the Indonesian side on August 15, 1987, with a view to informing Foreign Minister Mokhtar Kusumaatmaja that the People's Republic of Kampuchea and the Lao People's Democratic Republic fully agree with the Vietnam-Indonesia July 29, 1987 agreements and that the three Indochinese countries would do their utmost to implement these agreements.

World as well as regional public opinion, including that within ASEAN itself, has made a high appraisal of the Vietnam-Indonesia agreement, which it views as an initial step in the process of solving the questions of Southeast Asia and of Kampuchea. It is regrettable that the informal meeting of the ASEAN foreign ministers in Bangkok on August 16, 1987 might have sought to alter the substance of the agreement between Vietnam and Indonesia. The August 16, 1987 joint press release of the Bangkok meeting tries to turn the dialogue between the two Kampuchean sides into one between the Kampuchean parties and Vietnam; it insists on the 8-point proposal of the so-called Coalition Government of Democratic Kampuchea as the basis for negotiations. This joint press release purports to reimpose that old outdated stand which has long been resolutely rejected by Vietnam and the other Indochinese countries; a stand which so far has been impeding and bringing to a deadlock the search for a political solution to the Kampuchean problem and has been criticized by international opinion.

General public opinion, including that in some ASEAN countries, considers this a perfidious design; it is very upset by the ASEAN move and is concerned that the August 16, 1987 joint press release of the Bangkok meeting might block. The path opened by the July 29, 1987 Vietnam-Indonesia joint press release, in the search for a solution to the Kampuchean problem and to the question of peace and stability in southeast asia.

The Socialist Republic of Vietnam, the People's Republic of Kampuchea and the Lao People's Democratic Republic resolutely reject the contents of the Bangkok communique of August 16, 1987. The three countries affirm that the agreement reached on July 29, 1987 in Ho Chi Minh City between Indonesia and Vietnam, representing the ASEAN and Indochinese countries respectively, is one between the two groups of countries. There cannot be different arbitrary interpretations for the sake of anyone's expediency. It is incumbent upon both the Indochinese and the ASEAN countries to respect the spirit and letter of the July 29, 1987 communique; the ASEAN countries are duty-bound to honour the agreement recorded in the latter communique. No single country is to be allowed to break this agreement; should this happen, it will be impossible to give credibility to any future agreement.

After 8 years of exploration and dialogue, this is the first time the two groups of ASEAN and indochinese countries have overcome countless difficulties to reach the July 28, 1987 agreement in Ho Chi Minh City. If the ASEAN countries really want a peaceful settlement of the Kampuchean problem and of the problems concerning peace and stability in Southeast Asia, this is an opportunity to seize, and the two groups of countries in Southeast Asia have the obligation to keep the commitments made on July 29, 1987.

The Indochinese countries highly value the role of Indonesia, the largest country in Southeast Asia, as the representative of the ASEAN countries and as the proponent of the initiative of a "cocktail party". Indonesia together with Vietnam as the representative of the Indochinese countries have arrived at the July 29, 1987 agreement between the ASEAN and Indochinese groups of countries. Out of her high responsibility and noble obligation, Indonesia together with the other ASEAN countries has the duty to implement this agreement.

For their own part, the three Indochinese countries stand ready to cooperate with the ASEAN countries in materializing the agreements. The three Indochinese countries welcome any contribution along this direction from other countries in the international community for the sake of peace and stability in Southeast Asia.

Australia

Envoy to New Caledonia Remains Unaccredited
BK250640 Melbourne Overseas Service in English
0500 GMT 25 Aug 87

[Text] Australia's consul general in New Caledonia, Mr David O'Leary, has been denied access to the French high commissioner to the territory, Mr (Jean Montpazarc).

Mr O'Leary, who arrived in Noumea 6 weeks ago, has not been able to pay the traditional courtesy visit to the high commissioner and cannot therefore represent Australia at any high-level functions in the territory or meet any top-ranking official.

According to Radio Australia's correspondent in Noumea, Sue Williams, Mr (Montpazarc) has been too busy with several French ministerial visits to see Mr O'Leary. Without meeting Mr (Montpazarc), Mr O'Leary cannot represent Australia at any high-level function in the territory.

When he first arrived in New Caledonia, Mr O'Leary caused headlines in the local press by restating Australia's support for independence and expressing the belief that self-government for the territory was inevitable.

Papua New Guinea

Government Steadfast in Support of Kanaks
BK310632 Hong Kong AFP in English 0617 GMT
31 Aug 87

[Text] Port Moresby, Aug 31 (AFP) — Papua New Guinea remained firm in its demands for New Caledonian independence, acting Foreign Minister Auru Matiabe told the French ambassador here Monday [30 August].

Mr. Matiabe told Ambassador Jean Paul Schricke that nothing less than full recognition of the right of the Melanesian Kanaks and other genuine long-term residents of New Caledonia to decide their own future was acceptable.

Mr. Schricke was asked to convey to Paris Papua New Guinea's "deep concern" at the brutal way French police had handled recent peaceful demonstrations by Kanak separatists.

"We have not seen this type of colonialism perpetuated in the Pacific in modern times and we reject the French behaviour against fellow Melanesians in this manner," said Mr. Matiabe.

The Kanak Socialist National Liberation Front (FLNKS) has urged Melanesian groups to boycott the September 13 independence referendum, in which residents of three-years standing have been granted the right to vote.

Papua New Guinea's overseas missions have been instructed to seek local support for the Kanaks.

Mr. Matiabe said the situation in New Caledonia was serious and must not be allowed to go unchecked, adding: "France must recognise the new reality in the Pacific and commit itself to playing a constructive role in the region."

"Up to now it has excelled only in bringing about disharmony as well as instability," Mr. Matiabe said.

Vanuatu

New Australian-Made Patrol Boat Arrives
BK290952 Melbourne Overseas Service in English
0830 GMT 29 Aug 87

[Text] A patrol boat built in western Australia for Vanuatu has arrived in Port Vila. The patrol boat, the (*Decoro*), was given a big welcome with crowds on shore and many local craft in Port Vila harbor.

President Sokomanu; the minister for home affairs, Mr Sathy Regenvanu; and other government ministers attended an official welcoming ceremony.

The (*Decoro*) was sailed from Perth to Vanuatu by a 70-man crew trained in Western Australia. It was accompanied by an Australian patrol boat, the *Woolongong*, which was granted special permission to enter Vila harbor.

Vanuatu has a ban against visits by Australian warships and planes under a dispute arising earlier this year when Australia criticized Vanuatu for alleged links with Libya.

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